

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FOURTH SESSION—THIRTIETH PARLIAMENT

27 Elizabeth II

VOLUME III, 1978-79

COMPRISING THE PERIOD FROM THE NINETEENTH DAY OF DECEMBER, 1978
TO THE NINETEENTH DAY OF FEBRUARY, 1979

INDEX ISSUED IN A SEPARATE VOLUME

Published under authority of the Speaker of the House of Commons by the Queen's Printer for Canada

Available from Canadian Government Publishing Centre, Supply and Services Canada, Hull, Québec, Canada K1A 0S9, at 5 cents per copy or $3.00 per session

80047-1½

HOUSE OF COMMONS

Tuesday, December 19, 1978

The House met at 2 p.m.

• (1407)

ROUTINE PROCEEDINGS

[*English*]

CONSUMER AFFAIRS

SUBSIDY ON DOMESTICALLY CONSUMED WHEAT—MOTION UNDER S.O. 43

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the CPI released today shows an annual rate of inflation of 8.8 per cent, a situation that will get worse as we get into the winter months, with prices increasing in bread, pasta and produce, a fact which will weigh heavily on fixed and low income earners who have to spend a disproportionate amount of their income on food, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the government's consumer subsidy on domestically consumed wheat be phased out over a period of three years, in order to minimize its impact on bread and pasta prices which will increase anywhere from 16 per cent to 20 per cent as of January 1.

Mr. Speaker: Such a motion for debate at this time would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIR TRANSPORT

ALLEGED VIOLATIONS OF AERONAUTICAL COMMUNICATIONS STANDARDS AND PROCEDURES ORDER—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

My motion is with regard to an important air navigation order known as the Aeronautical Communications Standards and Procedures Order relating to air safety and the Official Languages Act. After attempting for six weeks to get a report on this ANO, the minister informed me in writing on December 11 that for the period November 25, 1976, to July 23, 1978, 10,228 incidents of alleged violations of the order were reported.

I therefore move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That the Minister of Transport, on motions, explain to the House how this apparently irregular situation developed; what, if anything, is going to be done about the 10,000 plus incidents of alleged violations of the order and explain how he reconciles the development of this type of situation with his own duties and responsibilities under section 3(a) of the Aeronautics Act.

Mr. Speaker: Such a motion can be introduced for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

GRAIN

CROWSNEST PASS RATES—MEETING WITH SASKATCHEWAN—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Four months ago the Saskatchewan government offered to help pay the cost of extending the Crow rate to agricultural products processed in Saskatchewan if the federal government would guarantee the Crow rate for grain farmers and pay compensation directly to the railways, as recommended by the Hall commission report.

In view of the fact that the federal government has not yet met to discuss this plan with the Saskatchewan government, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House request the Minister of Transport to stop stalling and to meet with the Saskatchewan government to reach agreement to implement the Saskatchewan Crow rate guarantee plan.

Mr. Speaker: Such a motion can be introduced for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

AIRPORTS

CLOSING OF CERTAIN AIRPORT TOWERS FROM MIDNIGHT TO 6 A.M.—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity regarding the closure of certain airport towers, commencing January 1, from midnight to six o'clock a.m. This will pose serious safety questions which have not been adequately addressed by the Minister of Transport.

In view of the Cranbrook tragedy—an airport without tower service—and in light of increasing night air cargo flights and Nighthawk flights by our principal airlines, requiring full navigational aids and tower services, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the Minister of Transport cancel immediately this directive and issue another directive ordering a full review of the implications to air safety implicit in these measures.

Mr. Speaker: Such a motion can be presented for discussion at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC SERVICE

CIVIL AVIATION INSPECTORS WITHOUT CONTRACT—MOTION UNDER S.O. 43

Mr. Ron Huntington (Capilano): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

In view of the fact that the Canadian civil aviation inspectors have been without a contract since 1975, their income levels are now below military pilots, air traffic controllers and their equivalents in other countries, and in view of the fact that this highly skilled and important professional group is breaking up, as evidenced by the fact that they are now 15 per cent or more below strength, which has led to only 335 of more than 1,500 air regulation infractions in 1978 being processed, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the Minister of Transport, the President of the Treasury Board and the Minister of Labour take an immediate interest in this deteriorating situation, and that they resolve immediately the unjust remunerative levels of this important professional group of civil servants so that Canadian aviation practices be returned to their former prestigious and safe standard.

Mr. Speaker: The introduction of such a motion for debate requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

• (1412)

TELEVISION

UNITED STATES OPPOSITION TO PROVISIONS OF BILL C-58—MOTION UNDER S.O. 43

Mr. Jim Fleming (York West): Mr. Speaker, I rise on a matter of urgent and pressing necessity, according to Standing Order 43.

Considering that certain United States border television stations and several vocal and self-serving of our political counterparts in the United States continue to press for retaliatory action against the effects of Bill C-58 passed by this parliament, and considering that that legislation has produced an additional $9 million in much needed revenue to improve Canadian programming for Canadians, yet these several U.S. congressmen and broadcasters propose punitive retaliation of at least ten times the amount that is rightly being returned to Canadians, I move, seconded by the hon. member for Peel-Dufferin-Simcoe (Mr. Milne):

That this House reaffirms our commitment to Bill C-58 and urges the responsible majority of our congressional counterparts to discourage the noisy few from using field artillery to rabbit-hunt in their best friend's backyard.

Mr. Speaker: Introduction of such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

CALL FOR PRORATA PENSIONS FOR WIDOWS OF DISABLED VETERANS—MOTION UNDER S.O. 43

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

That this House calls on the Minister of Veterans Affairs to announce before Christmas that early in 1979 he will introduce legislation to provide prorata pensions for widows of veterans in those cases where the veteran's disability pension was below 48 per cent, thus correcting an unfairness that has existed far too long.

Mr. Speaker: Presentation of such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

TRANSPORT

REQUEST CHAIRMAN OF PRAC APPEAR BEFORE COMMITTEE—MOTION UNDER S.O. 43

Mr. Arnold Malone (Battle River): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the Prairie Rail Action Committee has gone far beyond the parameters recommended by Chief Justice Emmett Hall, and has dealt a most destructive blow to the prairie rail transportation system by recommending that 60 per cent of the 2,400 miles of rail line now included under temporary status be abandoned, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That this House request that Fred Anderson, chairman of the Prairie Rail Action Committee, appear before the Standing Committee on Transport and Communications at the earliest possible date.

Mr. Speaker: Such a motion can be introduced for debate, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INACCURACY OF FORECASTS OF REAL GROWTH

Mr. James Gillies (Don Valley): Mr. Speaker, I should like to ask the Minister of Finance why it is that he forecast at the beginning of this year that the real growth in the economy would be 5.5 per cent, that six months later he forecast 5 per cent, and in the recent budget he forecast 4.4 per cent, when it turns out that real growth is going to be 3.8 per cent.

Why is it that his forecasts are, and have been, so inaccurate? They are inaccurate in comparison with other forecasts made in the economy by private forecasters, other agencies and other government officials. Why are the forecasts of the Department of Finance and the Government of Canada so inaccurate?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I made a forecast of 5 per cent, not 5.5 per cent, in October, 1977. I changed it and said the growth would be about 4 per cent.

The problem of forecasting is the same all over the world. For example, in 1977—it was not a forecast—the United States administration said that growth in the first quarter was 5.2 per cent, but after three revisions they found out it was 7.7 per cent. Forecasting is a difficult business, and we are doing

our best. I would point out that almost 4 per cent growth this year, is still 1.3 per cent more than last year.

Mr. Gillies: Policy-making, under the best circumstances, is always difficult. If it is done on the basis of inaccurate forecasts, it will be wrong. I do not think anyone can argue that the economic policy of this country has not been very good, and one reason it has been poor is because of the forecasts. The Minister of Finance always rationalizes them away.

I am saying that in Canada, nine months ago, forecasts were far more accurate than those made in the minister's department. Why cannot the Department of Finance forecast activities in this economy more accurately, particularly when they have all the resources to do it and when, I presume, we end up having to make economic policy based on what turns out to be inaccurate information?

Mr. Chrétien: Mr. Speaker, I think I was in very good company last year when I forecast a growth of 5 per cent for Canada. The then president of the Conference Board, who is now a member on the other side, forecast a 5 per cent rate of growth for Canada.

● (1417)

Mr. Gillies: Mr. Speaker, I go back to the Minister of Finance. We have increasing inflation, a phenomenal problem in our balance of payments, a declining dollar and rising unemployment, with one million people out of work in a very, very rich country. I do not think anybody wants that to happen, but one of the reasons it is happening, presumably, is that the government is making its policy on the basis of poor economic forecasts.

What is the minister doing about that? Will he try to improve it? Is he not concerned about it? Has he any ideas about how we can make better forecasts and how we can get better information, so that we can have policy which will eradicate or help eliminate some of these dreadful economic problems we are facing? It is no answer for the Minister of Finance to pretend it does not happen. We have poor economic forecasts. What is he doing about it?

Some hon. Members: Order.

Mr. Chrétien: Mr. Speaker, before the budget I had consultations with many economists of this land, the national associations, and so on. Most of the forecasts for 1979 made at that time, pre-budget, were that the growth next year would be between 3 per cent and 4 per cent. In the budget I stimulated the economy to the tune of $1.8 billion. So with that, adding to the forecasts made before, I think to predict for next year that the growth will be between 4 per cent and 4.5 per cent is not being overoptimistic; it is quite realistic.

Oral Questions

CONSUMER AFFAIRS

SUBSIDY ON DOMESTICALLY CONSUMED WHEAT—REQUEST WITHDRAWAL BE OVER THREE YEARS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a supplementary question to the right hon. Prime Minister. It has to do more with facts than with the forecasts of the Minister of Finance.

I want to ask the right hon. Prime Minister—indeed, I plead with him on behalf of low income earners in this country and people on fixed incomes, because he alone has the power to turn this back—will he now bring in a measure or a policy whereby the withdrawal of the consumer subsidy on domestically consumed wheat will be phased out over a period of three years? Otherwise, the consequences are that low income earners and fixed income earners in the country, who lean heavily on bread and pasta as a very important part of their diets, will be faced with substantial increases in the order of 15 per cent to 20 per cent.

As of January 1, the price of bread will rise by seven cents a loaf, the biggest over-all increase in the history of the country. The Prime Minister has the power to change that. I ask him, I plead with him, will he?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I answered that very question when it was asked by the hon. Leader of the New Democratic Party some weeks ago. I indicated to him that the policy of the government is not to subsidize bread to all consumers, including the very rich and medium rich people. Our policy is to help those who need help. That is why we increased family allowances and that is why we increased old age pensions at the time we were phasing down this subsidy.

If the hon. member is interested in helping the consumer, I am surprised his party did not support the Minister of Energy, Mines and Resources when he was trying to get support for delaying the increase of $1 a barrel in oil prices. That was a great occasion to help the consumer and to help industry in Canada—

An hon. Member: We did. You do not know what you are talking about.

Mr. Trudeau: —and the other side was very silent on it.

Some hon. Members: Hear, hear!

Mr. McGrath: Mr. Speaker, certainly I would commend the Prime Minister for what is happening if only he would do for bread prices what he is doing for energy prices, that is, phase in the world price of wheat so that it will not hit heavily on low income earners. I remind him that wage increases in Canada are running at 5.95 per cent, as opposed to the 8.8 per cent annual rate of inflation. This means that wage earners are falling behind.

Some hon. Members: Order.

Mr. Speaker: Order, please.

[Mr. Chrétien.]

Mr. McGrath: In view of the inflationary situation, produce prices will be rising. We know that the price of bread will rise by at least seven cents. Before the price of bread rises by seven cents per loaf as of January 1, will the Prime Minister bring in a measure whereby this can be phased in gradually over a period of three years, so as to minimize the impact on low income earners?

An hon. Member: Question.

Mr. McGrath: If the Prime Minister has any compassion, surely he will answer that question in the affirmative.

● (1422)

Mr. Trudeau: I recognize that that is a repetition of the same question.

Mr. McGrath: Of course it is a repetition, and I make no apology for it.

Mr. Trudeau: I will repeat the same answer. The policy of the government is to help those in Canada who need help. It is not to subsidize everybody, which seems to be the Tory policy.

* * *

THE CANADIAN ECONOMY

INQUIRY AS TO WAGE CONTROLS IN 1979

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the Prime Minister: it is on the consumer price index. As the Prime Minister knows, wages went up by about 5.8 per cent last year and the increase in the cost of living was about 8.8 per cent. Therefore, there is a real loss in purchasing power for the average Canadian worker.

In light of some speculation that wage controls might be brought in, and in light of the Prime Minister's words on this at the first ministers' conference, can he assure us we will not see any wage controls in 1979, so that the Canadian worker will at least have a chance to catch up to the cost of living?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this form of question really cannot be answered very simply. The hon. member recognizes, I am sure, that the real income of Canadians has gone up consistently over the past decade, including the present year. Therefore, workers, like all other Canadians, on average received more income this year than least year, in real terms, taking into account the rise in inflation. It is true that the cost of living has gone up faster than we had anticipated and, indeed, I believe faster than the labour movement anticipated.

The government has taken many occasions to congratulate the labour movement for the sense of restraint they have exercised. They realize—and I hope the hon. member realizes—that the increase in the cost of living came essentially from the lower value of the dollar and increased prices of imported food. Against this, the government cannot guarantee any class or any group of the population. Therefore, it is

normal in times like this that Canadians should exercise a measure of restraint.

Mr. Nystrom: Mr. Speaker, I wonder if the Prime Minister could answer the direct question that I asked. There is some concern that in 1979 there will be reimplementation of the controls program that will specifically control wages. Because of the gap in the increase in wages compared to the increase in the cost of living, can the Prime Minister assure us there will be no implementation of wage controls until workers at least catch up to the increased cost of living?

Mr. Trudeau: Mr. Speaker, in his previous question the hon. member referred to something I said at the first ministers' conference. I ask him to refer to that text where I was enjoining Canadians generally, and all governments in particular, to take certain measures to prevent inflation from again reaching a crisis state. I said if we ever reached a crisis state, there might be a need for controls.

We have not reached that state, and I do not anticipate our reaching it. I repeat, the labour movement and governments have shown a commendable measure of restraint. I am convinced, because of that, there will be no crisis situation. If there is no crisis situation, the government not only will not introduce controls, but cannot under the Supreme Court ruling.

Mr. Nystrom: The Prime Minister said he is more concerned about people on low incomes, rather than subsidizing a specific product such as bread. We in this House have increased old age pensions and family allowances for low income people, and provinces like Ontario are increasing welfare payments.

The unemployment insurance bill before the House will cut back by 10 per cent the benefits paid to some of the lowest income people in this country. Considering the statement the Prime Minister made a few minutes ago, will he have the government reconsider its position and withdraw that bill which will hurt very many low income people in this country?

Mr. Trudeau: Mr. Speaker, the hon. member is obviously participating in the debate which is now before the House. The hon. member knows the government's arguments. It was a Liberal government that was the author of the Unemployment Insurance Act. History has shown that we have placed a very high priority on that particular act. The hon. member knows it is important for governments to review and to make sure that their measures are not abused, and that is the nature of the measure put before the House.

• (1427)

[*Translation*]

REFERENDA

GOVERNMENT POSITION IF BILL C-9 PASSED

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put my question to the Prime Minister. At a fund-raising dinner held in Toronto for the party in power, the Prime Minister is supposed to have said, according to newspaper reports, with regard to Bill C-9 concerning a public referendum in Canada, that if the bill is passed it would be used to cancel a Quebec majority vote in favour of separation from the rest of Canada. Could the Prime Minister tell us what he meant when he made that statement?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, this is another example of a bill under consideration in the House for, I believe, only one day. If the hon. member did not take part in the debate or heard it he could read *Hansard* to learn what is the government's position. I stated, when I first spoke about the bill in the House a year and a half ago, that the Quebec government had decided to consult the people through a referendum and that the federal government is entitled to the same right.

Mr. Beaudoin: Mr. Speaker, I should like to ask a supplementary question. The Prime Minister said in the same speech that if Bill C-9 is passed, it would perhaps allow the federal government to hold a referendum before Quebec to see whether the majority of Canadians will take the provincial referendum into account. Could the Prime Minister tell us exactly what was the meaning of that statement?

Mr. Trudeau: Mr. Speaker, I will have to check because I am convinced that I did not say such things in Toronto, but if the member wants to send me the quotation, I will look into it.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF SPORT FOR CUBA

Mr. Speaker: Order, please. Before continuing the question period, may I invite hon. members to join with me in recognizing the presence in our gallery of a distinguished visitor on an official visit to our country, the Minister of Sport for the People's Republic of Cuba, Jorge Garcia-Bongo.

Some hon. Members: Hear, hear!

Oral Questions

PUBLIC SERVICE

OVERCLASSIFICATION IN CERTAIN SECTORS

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is directed to the President of the Treasury Board. The public service classification study which was tabled yesterday indicated that as of April 1, 1976, the cost to the taxpayer of maladministration in this field was $43.6 million per year. Using up to date numbers of civil servants and salary information, a more accurate estimate would be $77 million a year.

What action has the minister initiated, and what action does he propose to take, to ensure that taxpayers get fair value for the millions of dollars we are spending—or wasting here—while seeing that those public servants who are the victims of this maladministration are not unduly penalized?

Hon. Judd Buchanan (President of the Treasury Board): To answer the first part of the question, what we are doing in this study is this: there are roughly seven groupings which were identified as experiencing a particularly severe problem in this area, and there were seven departments which were identified as having an above average rate. We are working within these groupings and departments to see what can be done to tighten up and improve the classification procedures.

In addition, we are looking closely into this question of delegation to the departments which was decided on three or four years ago to see what changes could or should be made in the procedure. I might mention, of course, that this audit was initiated within Treasury Board because we felt some concern about just how effectively these delegated powers were being used and how effectively classification was being carried out. We are inquiring into that aspect very closely to see what can be done to tighten up the procedure.

As to the second part of the question concerning the employees involved, we would expect that some of these positions would be vacant, and if that is the case we should be able to downgrade them. In other cases we will consider the possibility of moving employees to other employment within the public service which is at the proper level for their qualifications, after which we could downgrade the positions. Also, we shall check whether the classification and audit which was done is correct—there has to be some verification. All these procedures, if followed carefully, should result in a minimum number of cases having to be red-circled.

● (1432)

Mr. Andre: Mr. Speaker, the President of the Treasury Board and his predecessor have had the study on national capital area classifications on their desks since April, 1976. I have a copy here. Compiled studies on the national capital area and non-national capital areas have been on their desks for several weeks or months.

On November 22, the minister's predecessor promised in this House during question period that there would be a detailed statement by the government regarding its actions. Will the minister make a statement in the House giving details of what has been done, or table such details? The government has known about the problem for three years. It has had concrete information for over two years. What is being done?

Also, will the minister refer this report to the appropriate committee of the House of Commons so that we can look into the matter in some detail and be assured that the $77 million a year which is now being wasted will not be wasted any longer than is necessary?

Mr. Buchanan: Mr. Speaker, I question the figure which the hon. member has used. As he has indicated, in the last couple of years he has moved the figure up from $46.3 million—which is certainly far in excess of what we consider acceptable—to $77 million.

As the hon. member is aware—I believe he was one of the questioners—there was considerable questioning in this regard in the Standing Committee on Miscellaneous Estimates earlier this year when the deputy secretary for personnel policy was present. There was a fair amount of probing and discussion and, I think, a fairly forthcoming response to the concerns which were raised, and I suggest that that is probably a legitimate and sensible way to continue the process.

* * *

POST OFFICE

POSTAGE STAMPS BEARING PICTURE OF HER MAJESTY THE QUEEN

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct a question to the Postmaster General. I have said on a number of occasions that this government is endeavouring to downgrade the monarchy. I need only point to what the Prime Minister said. He said he had no more use for the Queen than he had for snowshoeing or skiing.

Some hon. Members: Oh, oh!

Mr. Trudeau: Privilege, Mr. Speaker.

Mr. Baker (Grenville-Carleton): Three o'clock.

Mr. Trudeau: I have never said any such thing, Mr. Speaker.

Mr. Diefenbaker: The denials come late, because he said that on a couple of occasions.

Some hon. Members: Oh, oh!

Mr. Trudeau: When?

Mr. Dawson: You are getting old.

Mr. Diefenbaker: The truth hurts. I want to ask the minister why, across this country today, in various post offices one is unable to purchase any stamp, either the 12-cent, the 14-cent or the 16-cent stamp, with the Queen's picture thereon. Why is this?

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, first I would like to tell the right hon. gentleman that I have great respect for the Queen. I am a veteran. I fought for several years in England with the Royal Canadian Air Force.

Some hon. Members: Hear, hear!

Mr. Lamontagne: Having said that, I can assure the right hon. member that if there is any shortage of stamps bearing a picture of the Queen, it is strictly a question of accidental shortage and I am sure there is nothing in the Post Office which prevents any post office from selling these stamps. I will see that they have them in every post office across the land.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, I pay tribute to the minister's wonderful record overseas. I will come a little closer to home. Why is it that on December 19, today—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, are there some loons loose? It is music to my ears to hear the suckers roar.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I want to ask the minister a simple question. On this very date, neither in the House of Commons post office nor in the Senate post office can one purchase any stamps with the Queen's head thereon. Why is that? I asked specifically for them and I was told there were none. Was that coincidence?

Mr. Lamontagne: Mr. Speaker, I would like to inform the right hon. gentleman that the post office in the House of Commons is not under the jurisdiction of the Post Office Department: it is completely independent. If stamps or postal equipment are required, they have to request them. If they request them, I will see that the House of Commons post office gets them by tomorrow morning.

Mr. Diefenbaker: That is fine.

* * *

NORTHERN PIPELINE

SUPPLIERS OF STEEL PIPE

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, I would like to direct a question to the Deputy Prime Minister. I understand that two Canadian companies, Stelco and Ipsco, have been selected to negotiate with Foothills to supply steel pipe for the Alaska pipeline. Does this mean that those companies were the lowest bidders, and does the Deputy Prime Minister feel that they would have a good chance of bidding successfully on the Alaska section of the pipeline?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, we said often in the course of the debate on the creation of the Northern Pipeline Agency that Canadian firms could compete successfully for the supply of pipe on the Canadian portion of the line. We also maintained, despite the criticisms we received from the opposition—and today, of course, our judgment has been confirmed by the opening of these negotiations with the two Canadian companies for the supply of 1.5 millions tons of pipe—that we believe the competitive edge shown by these Canadians companies will be in play in securing business on the American portion of the line.

Some hon. Members: Hear, hear!

* * *

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

BROADENING OF COMMITTEE'S TERMS OF REFERENCE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Deputy Prime Minister in his capacity as government House leader.

In light of public concern about the growth in the number of regulations in Canada which have some adverse effect—which was admitted by the first ministers at their conference last February—and having in mind a unanimous motion passed by the Standing Joint Committee on Regulations and Other Statutory Instruments dealing with this issue, will the Deputy Prime Minister consult with his counterparts, the other House leaders, with regard to consideration of a motion to give extended terms of reference to that committee in order to deal with this very important question?

I ask this question because of the fact that when this parliament grants delegated authority, it should retain some means of exercising supervision over the way that authority is utilized.

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, I read the report of the joint committee of which the hon. member is a co-chairman, and I noted the recommendations which were made and which now have been repeated by the hon. member.

I would like to undertake to raise the question of extending or widening the reference of the committee with other party representatives and with my colleagues with a view to meeting, if possible, the views of the standing committee.

* * *

EXTERNAL AFFAIRS

SALE OF NUCLEAR REACTOR TO TAIWAN

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I had intended to address my question to the Secretary of State for External Affairs.

An hon. Member: He is here. Wait for him.

Mr. Brewin: Mr. Speaker, I was about to explain that I understood the Secretary of State for External Affairs would be delayed and I was going to address this question to the Prime Minister, but I see that the Secretary of State for External Affairs is now here. I have no doubt that he will find no difficulty in answering my question even though he did not receive the notice.

• (1442)

Mr. Speaker: Order, please. I am sure the hon. member would make it easier for the minister and for all of us if he would put the question.

Some hon. Members: Hear, hear!

An hon. Member: Ten o'clock.

Mr. Brewin: In light of the recent recognition by the United States of the People's Republic of China, and the reaction of the government of Taiwan and the statement made by the government of Taiwan that they will work to conquer communist tyrannical rule and its aggressive policy and never give up the sacred task of recovering the mainland, and in light of the fact that Canada supplied some time ago a research reactor which could be used for the purpose of producing a nuclear weapon will the minister make a statement of the situation with Taiwan and nuclear weapons and undertake, if there is anything that Canada can do, to take steps to ensure that Canadian reactors and Canadian materials be not used by Taiwan for building up a nuclear weapon capability?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Yes, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Jamieson: In order to give the hon. member a full answer, because of his unfailing courtesy—he has, indeed, given written notice of this question and my officials have looked into it—let me tell him that in 1969 we did sell a 40 megawatt nuclear research reactor, a small research reactor, and it has been under IAEA supervision and control ever since the ending of diplomatic relations between Canada and Taiwan.

We have made inquiries in the last 48 hours and my information is that there is nothing to suggest that that particular reactor will not continue to be under IAEA control. We are making further inquiries and I hope to give an additional answer later.

SALE OF NUCLEAR REACTORS TO ARGENTINA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, this question also deals with nuclear reactors, but it has to do with the Argentine. The minister made a statement on December 14 to the effect that a quoted spokesman there was not a spokesman for the Argentine government on the matter, and that what they were doing in the Argentine was merely some kind of experimental arrangement.

It appears now that this gentleman, Admiral Madero, is in fact the president of the national atomic energy commission of the Argentine and that the tape, which is held by the Washington *Post*, indicates that he said they were going to produce a nuclear weapon and that, indeed, it will help to balance their arms race with Brazil.

Will the minister check the facts again, in view of this information, and take the necessary action to ensure that Canada will not co-operate in a venture which would be a threat to the peace and stability of South America?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Yes, Mr. Speaker. Since the hon. member, as well as the hon. member for Northumberland-Durham, have asked me about this matter in the past, in so far as Canada is concerned I think it might be as well for me to read specifically what the situation is. It is quite short, if hon. members do not mind.

It states, first, that article V of the agreement between Canada and Argentina is specific in stating that all equipment, material, nuclear material and facilities subject to the agreement shall be used for peaceful purposes only and shall not be used for the development, manufacture or detonation of any nuclear explosive device; second, that the Argentinians may not reprocess any material subject to the agreement without seeking Canada's agreement; and third, in the event of non-compliance, Canada may suspend co-operation and may request that Argentina immediately cease to use any Canadian supplies.

In so far as the gentleman who was quoted is concerned, and the question as to whether or not he is the specific spokesman for the government, this is still a matter on which there is some difference of view, although it does appear that he is certainly working for the government in that sense of the word, but whether he is a spokesman for the government of Argentina, per se, and Argentina has endorsed his statements, we have still not determined officially.

* * *

TELECOMMUNICATIONS

INDUSTRY REPRESENTATION BEFORE CLYNE COMMITTEE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Communications, but first I would like to welcome her back from Florida. Since we are now back from space and down to earth, may I ask her this question with regard to the Clyne committee, or commission, the establishment of which she announced on November 30.

To eliminate the increasing suspicion that the Clyne committee will just rubber-stamp the Gamma report written by one of the committee members, Mr. Alphonse Ouimet, and the report of the CRAB which was chaired by Mr. Ouimet, has the minister reconsidered her position so that at least some publicity and public ventilation be given to representatives of industry who would like to give briefs before that committee in

the open, rather than behind closed doors, in view of the terms of reference of the committee which are to restructure the telecommunications industry in this country?

Hon. Jeanne Sauvé (Minister of Communications): The suspicions about this committee, Mr. Speaker, seem to lie mainly in the hon. member's mind. I want to reassure the hon. member that it is included in the mandate of this committee that if they feel they have the need to do so, they should be talking to the people in the industry, be they cable operators, broadcasters or even CRTC commissioners.

I understand that having reviewed all the material they had to go through and the different items which they thought they would want to study, they have already asked representatives of industry to meet with them and discuss some of the issues.

Mr. Nowlan: I appreciate the last part of the minister's answer because I, too, am aware of the fact that people who represent industry have been invited to come forward with briefs and, in fact, some individuals have been invited to give briefs. While I appreciate fully the practical impossibility of coming up with some substantive recommendations by February 1, does the minister not feel that there could be a better public discussion and a better stimulation of public debate—which the minister said she would like to see, in her press release of November 30—even within the limits of that timetable, if these people with briefs could come forward in public so that other representative groups could listen to what is said?

This could also help the Clyne committee make up its mind on recommendations to the minister with reference to the Gamma report and the CRAB report. Will the minister and this committee rely on other structural models for the telecommunications industry which have already been prepared by DOC officials and members of her department, and will those models be open to examination by people interested in this field?

Mrs. Sauvé: Many of the issues which will be studied by the committee have already been the object of a certain amount of public hearings mainly conducted by the CRTC, so that evidence will be used, obviously, by this committee.

I want to suggest to the hon. member that he should understand that once the committee has brought down its report—which timetable, incidentally, is the end of February—and although the hon. member thinks the deadline is impossible to meet, the committee is not saying it is impossible at this stage and they will try to meet it: it will be the basis of public debate on some of the issues which might require it.

* * *

CULTURAL AFFAIRS

LIBRARY SERVICE FOR HANDICAPPED PERSONS

Mr. David Crombie (Rosedale): Mr. Speaker, my question is for the Secretary of State, to whom I have given notice. I am sure the Secretary of State is aware of the task force report on library service to the handicapped which was published in January, 1976, and also of the 36 recommendations contained in that report and of the branch of the National Library which was established to implement those recommendations.

● (1452)

I should like to know if the minister is aware of the work of that branch in implementing those recommendations to establish a co-ordinated service for the handicapped people of this country and, if so, does he agree with the decision to axe the program as of March 31?

Hon. John Roberts (Secretary of State): Mr. Speaker, first of all I want to thank the hon. member for his kindness in giving me notice of the question. The answer to the first part of his question is, yes, I am aware of the matter which he has brought to our attention.

It is not a question of axing an existing program; it is a question of not being able to go forward at the present time with the implementation—which we hope to do in the near future—of a program which does flow, as he correctly said, from recommendations of the committee. One person has been brought on the staff of the National Library to consider ways in which these recommendations might be moved forward. It is now clear that the resources necessary to do so will not be available in the immediate future. There is, therefore, in that sense, not a continuing role for this person to play.

We do hope in the near future to be able to continue with the implemendation of the recommendations which were brought forward, recommendations which affect not only the federal but the provincial and municipal levels as well.

Mr. Crombie: Mr. Speaker, I am sure the Secretary of State is aware that this program affects 300,000 Canadians who suffer from sight disabilities. I am sure, also, the Secretary of State is aware that every social service ministry in every province of this country has made representations to him to save the existing program as it stands, as has the Canadian National Institute for the Blind.

Will the Secretary of State not consider at least maintaining the rather meagre effort that has so far been made and maintain at least the service that is now in place?

Mr. Roberts: Yes, Mr. Speaker, I am aware of the representations that have been made to me. As I said earlier, it is not a question of removing an existing program. We do attach importance to this and I hope we will be able to proceed with it quickly. But at the present time there is not a program; there is one person advising how we might reach the stage of implementing those proposals. It would still be my intention to do that, but I cannot promise the hon. member to be able to do it within the present financial year.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

REQUEST FOR MINISTER'S INTERVENTION SO GREATER IMPORTANCE GIVEN TO FRENCH NEWS SERVICE

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question is for the Secretary of State responsible for the Canadian Broadcasting Corporation. In light of conversations I have had with CBC French network reporters and following a CBC program explaining that there seemed to be a lack of reporters for French information and that the air time was not sufficient to allow broadcasting of more elaborate information concerning French Canadians, could the minister tell the House whether he intends to communicate with the president of the Canadian Broadcasting Corporation in order to solve this problem?

Hon. John Roberts (Secretary of State): Yes, Mr. Speaker, I am always willing to inform the president of the Canadian Broadcasting Corporation of the representations made to me by hon. members and I will refer this one to him as soon as possible.

* * *

TRANSPORT

RAISING OF FARES ON SUBURBAN MONTREAL TRAINS—ANSWER OF CNR CONCERNING REDUCTION OF SERVICE

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the Minister of Transport. Two months ago I had occasion to put a question to the minister on behalf of the thousands of commuters in the Montreal area, urging him to intervene in a decision the Canadian National already seemed to have made at that time. Last week, the parliamentary secretary stated that, in view of the Gascon report, the minister had agreed to ask officially the CN president for a moratorium of one year and a drastic cut in the increases foreseen for users of commuter trains. Can the minister now tell us what the answer of the CN president was, the matter being urgent as January 1 will soon be here?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have not yet received a reply from Canadian National but, as the hon. member says, following representations from several Liberal members of parliament I did say to the CN that I thought, in view of the Gascon report, they should consider postponing their reduction of service for another period of time, recognizing that in this area which is a provincial and municipal responsibility, such further period of time would likely be the last period of grace given for decisions by the province and the municipality with regard to the commuter train arrangement.

[Mr. Roberts.]

[*Translation*]

Mr. La Salle: Can the minister at least promise to urge the CN to make a decision following the representations of the minister, as the January 1 deadline is drawing near, and can he say as well since he speaks of lower cuts—I believe the planned increases could have been as high as 50 per cent of current rates—whether he gave a figure to the CN, or can he at least assure us that the increase will not exceed the inflation rate foreseen by his own government?

[*English*]

Mr. Lang: Mr. Speaker, I cannot do that at this time because I do not have a reply from Canadian National. I expect it very soon. Obviously, we are working against a deadline date because the changes were to have taken effect on January 1. I would like an answer almost at once.

* * *

[*Translation*]

SPORTS

POSSIBLE MERGER OF NHL WITH WHA—MINISTER'S POSITION

Mr. René Matte (Champlain): Mr. Speaker, because there is a strong possibility that the National Hockey League and the World Hockey Association will merge, because three of the teams in the WHA are Canadian, and because having five Canadian teams in the new professional hockey association would certainly add to the prestige of Canada, can the Minister of State for Sports tell us whether she is in favour of Edmonton, Winnipeg and Quebec city entering teams in the NHL and whether she has taken steps in that regard?

[*English*]

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I wish it were possible for me to give a pro answer to the hon. gentleman but, as he knows, we are talking about professional hockey which, of course, is big business and they will settle the matter amongst themselves without any involvement from amateur sport.

* * *

UNEMPLOYMENT INSURANCE

EFFECT OF BILL C-14

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Employment and Immigration, who will know that last night, in the debate on Bill C-14, the Parliamentary Secretary to the Minister of Transport and the Liberal member for South Western Nova both opposed important elements of Bill C-14 now before the House.

In the course of an answer to my colleague, the hon. member for Halifax-Dartmouth East, the member of parliament for South Western Nova said, "I am sure he realizes the final bill is not here". I wonder if the minister can tell the

House whether he is proposing or intending to bring in amendments to that bill which have not been presented to this House of Commons.

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I was here last night during the course of the debate. The Leader of the Opposition did not share that opportunity. I believe what the hon. member was endeavouring to indicate was that we had not reached final reading stage of the bill, rather than the final bill.

An hon. Member: That's not what she said.

Some hon. Members: Oh, oh!

* * *

NATIONAL REVENUE

CONFIDENTIALITY OF INCOME TAX FILES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is directed to the Minister of National Revenue. If the Minister of Finance will allow the Minister of National Revenue to be a "cutting figure", I would ask him a question.

An hon. Member: Very funny. I bet it took you an hour to dream that one up.

Mr. Hnatyshyn: Mr. Speaker, in view of the plans the Department of National Revenue has for closing down district taxation offices and replacing over-the-counter dealings in respect of income tax files by a Zenith line regional centre in places like Winnipeg, Shawinigan and Surrey, will the minister advise the House when this plan will be brought into effect and, specifically, what plans he is making or what he has in mind to protect the confidentiality of income tax information provided by taxpayers, with this new telephone-in system he is proposing in his department?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, I certainly want to commend the hon. member for his courage in asking a provocative question. It being the Christmas season, I will not even show a glint of steel.

Some hon. Members: Oh, oh!

Mr. Abbott: I should point out to him that in respect of setting up district offices as central offices, such as in Surrey, Sudbury, Shawinigan and other centres, the purpose is not to remove all the district offices, as the hon. member suggests, but to provide decentralization of government services in order to bring the government in Ottawa closer to the people. This does not diminish the service; it enhances it.

As to the use of the telephone central system, I can assure the hon. member that not only will full confidentiality be afforded taxpayers, but it will be confidentiality exceeded only by conditions in my own office.

An hon. Member: Heaven help us!

● (1502)

Mr. Hnatyshyn: Mr. Speaker, that is the most depressing answer I have ever heard. The information I have is that over-the-counter consultation which takes place in district offices will be phased out and the files moved to these regional offices.

Will the minister tell the House whether he intends to use social insurance numbers as the identifying number for telephone use by taxpayers in protecting confidentiality? In view of the fact that in each city across Canada there is, padlocked, a very elaborate computer system belonging to Loto Select, would the minister consider using that facility in order to save the department some money in the implementation of these regional offices?

Mr. Abbott: Mr. Speaker, I cannot speak for whatever impression the hon. member may have formed about computer facilities. I would say that the service which will be set up will look after the needs of the taxpayer to a much higher degree even than they are looked after today.

Approximately 80 per cent to 85 per cent of all the inquiries to the tax department are routine and are capable of answers which are informational in character. Some of these inquiries require the more detailed answer which is fed into the computer and therefore take more time, and inquiries of higher complexity may take as long as ten days to two weeks. This will not be changed.

As to the use of social insurance numbers, I know this is a constant preoccupation of the hon. member. He should know that under the Income Tax Act there are special provisions where SIN is used by law as, for example, in the filing of the annual income tax return. The hon. member may raise an objection to that situation, but that is the law. As to the other uses of SIN, if they take place, this will be done for the purpose of aiding the taxpayer and will have nothing whatsoever to do with any breach of confidentiality of the information provided by the taxpayer.

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PRIVILEGE

MR. YEWCHUK—COMMENT OF PARLIAMENTARY SECRETARY TO MINISTER OF NATIONAL HEALTH AND WELFARE TO INDIAN DELEGATION

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to comment with regard to the alleged question of privilege raised yesterday by the hon. member for Athabasca (Mr. Yewchuk). I would like to correct some of the things he stated and the write-up in the newspapers.

I did not meet with 30 Indians, only three. I did so to listen to their complaints and be helpful, and there was no confrontation. The meeting was very amiable and it was on a voluntary basis. The words alleged were taken totally out of context and

were made in a rather jocular way. There was no insult intended, as was alleged by the hon. member.

I might add that if the Indians feel sensitive about what I said, then I apologize. They did not say anything at the time. I have already spoken to Mr. Nicholas today, and he seemed to be quite understanding of what was said and the whole situation. I am quite disappointed that the hon. member did not have the courtesy to contact me before rising in the House to speak on this matter.

Some hon. Members: Shame, shame!

Mr. Robinson: He used the time of the House to make much ado about nothing and in order to pick up brownie points.

Mr. Speaker: Order, please. As I indicated yesterday, this kind of matter has very little basis in procedure and the response of the hon. parliamentary secretary closes the matter.

* * *

POINT OF ORDER

MR. FORRESTALL—RESERVE RIGHT TO RAISE QUESTION OF PRIVILEGE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, through your good offices I would like to reserve the right to raise at the earliest possible date a question of privilege arising out of last evening's debate. I have just now had the opportunity to review the remarks of my colleague from South Western Nova (Miss Campbell). When I left the chamber last evening, I had the very distinct impression that she had indicated the number of hours in which the official opposition had contributed toward the measure presently in front of us, together with certain slurring inferences with respect to the contribution of the opposition. I do not see these remarks or comments in today's *Hansard*, and I would like to reserve the right to check the electronic media and raise the matter at a later date.

ROUTINE PROCEEDINGS

[*Translation*]

WAYS AND MEANS

TABLING OF NOTICE

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, pursuant to Standing Order 60, I wish to table a notice of a ways and means motion, and I request the designation of the order of the day so we may debate this motion. I also request the designation of the order of the day necessary for the consideration of the ways and means notice on the Excise Tax Act, tabled last November 16.

[Mr. Robinson.]

[*English*]

TRADE

TABLING OF DRAFT REGULATIONS RESPECTING FOREIGN ECONOMIC BOYCOTT REQUESTS

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2), I have the honour to table in both official languages the draft regulations respecting the reporting of information relating to the foreign economic boycott requests.

* * *

CRIMINAL CODE

AMENDMENT RESPECTING DELIVERY OF FIREARMS

Mr. Speaker: The hon. Solicitor General (Mr. Blais) would require unanimous consent for the introduction of this bill at this time. It is a bill to amend the Criminal Code. Does the hon. Solicitor General have the consent of the House to introduce the bill at this time?

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, there have been discussions with respect to this matter, and the minister certainly has the consent of our party.

Mr. Stanley Knowles (Winnipeg North Centre): Yes, Mr. Speaker, my party has agreed to the introduction and first reading of this bill at this time. Whether we proceed further will depend upon our examination of the bill after we receive it.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Translation*]

Hon. J.-J. Blais (Solicitor General) moved for leave to introduce Bill C-34, to amend the Criminal Code.

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

* * *

[*English*]

BUSINESS OF THE HOUSE

ALLOTMENT OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-14

Mr. Cullen: Mr. Speaker, pursuant to Standing Order 75C, I wish to advise the House that the representatives of parties have been unable to reach agreement under Standing Order 75A or 75B on the allotment of time at report stage and third reading of Bill C-14, an act to amend the Unemployment Insurance Act, 1971.

Therefore, I wish to give notice that a minister will move at the next sitting of the House that one additional day be allocated to each of the said stages of the said bill.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I am prepared to present my point of order tomorrow when this motion is made, if that is the preference of the Chair, or I would be willing to state now the reasons I raise the point of order.

Mr. Speaker: The hon. minister has simply given notice of a motion today. It would probably be more appropriate if the hon. member has a point of order respecting these discussions to raise it tomorrow. It is very difficult for me to decide, however, without knowing the point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am prepared to give more detail tomorrow, but because this is the first time in history—granted, the history of Section 75C is not yet a full ten years—that a motion under this standing order has been made to cover two stages in the proceedings of a bill, I suggest Your Honour look at the precedents respecting this matter.

● (1512)

My contention is that despite the wording of Standing Order 75C, it is hardly fair or proper to be discussing or moving curtailment of time on a stage, namely, third reading, that we have not yet reached. Who knows, Mr. Speaker, there might be some amendments to the bill at the report stage that would change the whole picture. At any rate, I am prepared to argue tomorrow, if you accept this as a caveat, that I question the right of the government to present a motion on Bill C-14 covering two stages.

Mr. Speaker: Order, please. I shall certainly hear that point of order at the appropriate time, which I believe is tomorrow. My impression is that, as the hon. member has said, he would have to argue his point despite the language of the standing order. Without looking at it, my recollection is that the language of the standing order is "stage or stages" of any bill. It is open for the hon. member to raise that point and argue it, however. I think the appropriate time would be upon the introduction of that debate tomorrow.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 385, 470, 472, 474, 538 and 662.

[*Text*]

FEDERAL PROGRAMS

Question No. 385—**Mr. Herbert:**

During each of the past five years, what amount of money available for use under federal programmes, was unused in the Province of Quebec?

Order Paper Questions

Hon. Judd Buchanan (President of the Treasury Board): The information requested is not readily available. To provide an accurate reply would entail a lengthy and costly examination of the accounts of every program of each department which cost in manpower and time would be exorbitant or prohibitive.

AGRICULTURE—POSITION DESCRIPTIONS

Question No. 470—**Mr. Wise:**

1. With reference to the answer to Question No. 1,793 of the Third Session of the 30th Parliament, for what reason was $2,500 given to L.-J. Personnel of Ottawa in the fiscal year 1976-77 to write up position descriptions for the small farm development programme, bearing in mind that the programme was set up four years earlier in 1972, and was only funded to run until 1979?

2. Was the Department of Agriculture's Personnel section asked to write up the position descriptions and, if not, for what reason?

Hon. E. F. Whelan (Minister of Agriculture): 1. Program managers did not have staff resources to allocate toward writing position descriptions and arrangements were made to contract for these services with a firm with the necessary expertise for the following reasons:

(a) The program was being developed over a period of time and positions were described and classified as required.

(b) The organizational structure of the program administration was evolving at this time and, even though the program was scheduled to expire in 1979, it was necessary to prepare position descriptions that were consistent with the new organization.

2. No. It is the responsibility of program managers to write position descriptions for their organization.

ALAN WARD OF WAKEFIELD

Question No. 472—**Mr. Wise:**

1. With reference to the answer to Question No. 1,793 of the Third Session of the 30th Parliament, what is the layman's explanation of the purpose of the $21,792.77 contract given to Alan Ward of Wakefield "to restructure agriculture follows directly from technological progress and improved living standards to help farmers who are restructuring"?

2. What were the conclusions or recommendations of the study?

3. For what reason was this contract not given to the Agricultural Economics section of the Department of Agriculture?

Hon. E. F. Whelan (Minister of Agriculture): 1. Initiatives under the Small Farm Development Program (SFDP) were designed to assist small-scale low-income farmers to adjust to changing circumstances, including changing technology and demands for farm products. The primary purpose of this contract was to assess the need for changes in the program in the context of the extent and nature of the small-scale low-income farmer problem.

2. The principal conclusions and recommendations were:

(a) SFDP resources should be directed primarily towards an estimated 51,000 full-time and 14,000 part-time low-income farmers;

(b) The program should provide farm mangement services to assist low-income farmers to take a whole-farm approach to the development of their business and to take advantage of their unique objectives, capabilities and resources, within the framework of existing institutions and farm communities;

(c) SFDP farm management counsellors should concentrate on farmers earning 50 per cent or more of their income from farming with total assets not greater than $150,000;

(d) SFDP rural development counsellors should concentrate on rural residents with net family incomes below $6,000 and net worths below $50,000.

3. This study was contracted outside the Department of Agriculture because:

(a) Staff resources were unavailable at the time to carry it out;

(b) Non-governmental perspectives on policy and program alternatives were desired.

SIBBALD GROUP—AGRICULTURE

Question No. 474—**Mr. Wise:**

1. With reference to the answer to Question No. 1,793 of the Third Session of the 30th Parliament in which it was stated, that $20,000 was given to the Sibbald Group to "provide background information on the significance of the family farm in Canadian agriculture", what conclusions or recommendations were reached by the study?

2. Was the Agricultural Economics section of the Department of Agriculture and the Agricultural Section of Statistics Canada asked to provide such background and, if not, for what reason?

Hon. E. F. Whelan (Minister of Agriculture): 1. This contract did not seek specific conclusions or recommendations from the contractor with respect to the significance of the family farm in Canadian agriculture. The first objective was to draw together information on the nature and extent of different types of farm units in different parts of Canada; the second objective was to provide information on the economic and social significance of the family farm. This work involved discussions with representatives of farm organizations, provincial governments and universities and a review and analysis of research in these areas.

2. This assignment entailed field work and research within a time-frame that was beyond the staff resources available within the department. While information from Statistics Canada was utilized, the scope and nature of the project was outside the services normally provided to other departments by Statistics Canada.

BILINGUAL AIR TRAFFIC CONTROL

Question No. 538—**Mr. Mazankowski:**

1. Will the Commission of Inquiry into Bilingual Air Traffic Control resume its hearings and, if so, on what date?

2. What is the deadline for its final report?

3. Does the government have a policy on bilingual air traffic control and, if so, what is such policy?

[Mr. Whelan.]

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): I am informed by the Prime Minister's and Privy Council offices and Transport Canada as follows: 1. The co-commissioners are considering holding final public hearings after the full report on the study conducted by the Department of Transport based on the use of an air traffic control electronic simulator is officially received. This is expected soon.

2. According to order in council, PC 1976-1588, giving terms of reference for the co-commissioners, they "shall submit a final report with all reasonable dispatch and within ninety days of the receipt of the final results of the study based on the use of the air traffic control electronic simulator".

3. Yes. This policy is to progressively expand the use of bilingual aeronautical communications in the province of Quebec, while respecting the existing levels of air safety.

SPECIAL REPRESENTATIVE—NORTHWEST TERRITORIES

Question No. 662—**Mr. Neil:**

1. How many persons are on staff in the office of the Special Representative of the Prime Minister for constitutional development in the Northwest Territories and where are they located?

2. Since its inception, what are the amounts of the operating budgets for the office and what is the projected budget for the next fiscal year?

3. Is the Honourable Bud Drury, Chairman of the National Capital Commission, paid a salary as the Prime Minister's Special Representative and, if so, in what amount?

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council):

1.	Resources Building, Yellowknife	6
	151 Sparks Street, Ottawa	5
2.	1 November 1977—31 March 1978	$87,000
	1 April 1978—31 March 1979 Estimate	$333,000
3.	No.	

[*English*]

Mr. Pinard: I ask that the remaining questions be allowed to stand.

Mr. Paproski: Mr. Speaker, since we have only two or three days left before the Christmas recess—I hope—I think the parliamentary secretary should do much better.

While I am on my feet, I would hope that this House would congratulate Diane Jones-Konihowski as the super woman athlete of the year. After all, Edmonton has again excelled.

Mr. Speaker: I certainly have no difficulty in understanding the relevancy of that last comment to the questions on the order paper. There must be one which relates to that achievement, I am sure.

Mr. Pinard: Mr. Speaker, the hon. member will notice that we have today answered three questions in the name of Mr. Wise. I understand he is not wise.

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

JUDGES ACT

MEASURE TO GRANT IMMEDIATE ANNUITY TO JUSTICE MORAND

Hon. Bud Cullen (for the Minister of Justice) moved that Bill C-33, to authorize the granting of an immediate annuity to the Honourable Mr. Justice Donald Raymond Morand, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I rise to introduce Bill C-33, an act to authorize the granting of an immediate annuity to the Honourable Mr. Justice Donald Raymond Morand.

The purpose of introducing this piece of legislation is to allow Mr. Justice Morand to resign with an annuity from his position as a member of the high court of justice for Ontario and be appointed as ombudsman for the province of Ontario. This is done to accommodate the province and Mr. Justice Morand.

I have spoken to other House leaders and it is my understanding that there is a disposition to give unanimous consent to immediate passage of this bill through all three readings without debate. I might add that I wish to thank my colleagues opposite for their anticipated co-operation in this matter.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, the first thing I should like to do in agreeing with this suggestion and giving consent is to congratulate the province of Ontario for being able to entice such a distinguished jurist to leave the bench and take over the very difficult position of ombudsman. I think the government of Ontario has chosen well and I am sure experience will prove this to be true.

The second thing I should like to say is that this bill is quite appropriate. Discussions have taken place on this matter and it is the position of our party to accommodate the appointment by having this bill go through the House today in all stages without further debate.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I thought the agreement was that there would be no debate.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I am convinced that the parliamentary secretary did not want to mislead the House when he made those comments because there was unanimous consent to deal with the bill without debate. Anyhow, Mr. Speaker, since this side of the House, especially the Social Credit Party of Canada, is not empowered to enforce Standing Order 75A, B or C, I would like, as proof that we are good Canadians, to co-operate with the government of another province, even the province of Ontario, which wants to get a good ombudsman by appointing a magistrate as distinguished as Mr. Justice Morand. Under the circumstances, we will set an example for this parliament and all Canadians, because we are really seeking harmony; even if we could do some filibustering we will not do so. We will act as good Canadians and support that proposal to give Ontario the opportunity to appoint a fine ombudsman allowing its citizens through Mr. Justice Morand to obtain justice. We will thus give, Mr. Speaker, our unanimous consent.

[*English*]

Mr. Speaker: Order, please. I take it that the desire of the House would be to change the motion from a referral to the Standing Committee on Justice and Legal Affairs to a committee of the whole House. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered. Mr. Cullen (for Mr. Lalonde) moves that Bill C-33, to authorize the granting of an immediate annuity to the Honourable Mr. Justice Donald Raymond Morand, be now read the second time and referred to a committee of the whole House.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the chair.

On Clause 1—*Governor in Council may grant annuity*

Mr. Peters: Mr. Chairman, in the Christmas spirit, in passing this annuity and allowing Mr. Justice Morand to become the ombudsman of Ontario, I hope that we as parliamentarians will ask him to give consideration to the lady who is out in front of this building as one of his first acts. Some consideration should obviously be given to her by parliament. She has become rather a fixture here and I as one member would like to see that fixture removed and eliminated.

[*Translation*]

Mr. Lavoie: Mr. Speaker, concerning what the hon. member opposite has just said, I would simply tell him that the ombudsman will not have to intervene because the lady in question is in my office right now. I will take care of this case myself.

[*English*]

Clause 1 agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

• (1522)

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed, from Monday, December 18, consideration of Bill C-14, to amend the Unemployment Insurance Act, 1971, as reported (with amendments) from the Standing

Committee on Labour, Manpower and Immigration, and motion No. 1 (Mr. Leggatt).

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. What happened to the understanding of yesterday that at this point we would debate the procedural acceptability of certain motions?

Mr. Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) is quite right. I did not have any other indication from any of the proponents of those motions, but if any of them are now prepared to debate the procedural regularity of their motions, I would be glad to hear them.

In order, they would begin with motion No. 11 which I understand may be the subject of an application by the government for consent at some time during the course of the proceeding. Motion No. 12?

[*Translation*]

As regards motion No. 27 standing in the name of the hon. member for Hochelaga (Mr. Lavoie), I think it is only a matter of procedure.

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I am willing to discuss the procedure at any time the Chair will consider appropriate. However I would like to discuss it clearly because I am told that motions Nos. 11, 27 and 30 go beyond the scope of the bill. That is why hon. members will realize, when I have an opportunity to explain my amendment, that it does not go beyond the bill, but goes in the same direction and would prevent the gaps that would appear should clause 14 and part VIII of the act be adopted the way they stand now. I think they could lead to injustices against workers and unemployed people. That is why I moved that amendment. That is why I introduced this amendment.

Now, as to the procedural aspect, I shall wait until Your Honour permits me to elaborate further.

Mr. Speaker: The hon. member is certainly aware that motion No. 27 raises a number of procedural difficulties. The time has now come for the hon. member to support exclusively the procedural aspect of his motion.

Mr. Lavoie: Concerning this motion, Mr. Speaker, it is said that the purpose of this bill is to save money, which is understandable. The benefits are cut from 66⅔ per cent to 60 per cent. I suggest that if an unemployed person is paid, say, $100 a week and receives unemployment insurance benefits, his or her hourly wages be set at $5 over a 20-hour work week. We are all aware of the Canada Works program. The Canadian government is generous but very often the funds handed over are not adequate. That is not the fault of the government. However, the assistance those projects give the people is considerable. The amendment is intended to require of the people that they work on those projects, and work their full 20 hours a week, or where 30 hours are required, 30 hours. There might be other solutions as well; perhaps the minister could find something other than the Canada Works program. That seems logical to me. In that way, as I said in the House yesterday, instead of having unemployment insurance we would have employment insurance. That is the purpose of the amendment. I do not want to demolish the whole bill though, I realize this plays havoc with a good part of it. But I think that amendment is very logical, and if something else is wanted, if someone wants to move a subamendment, I am quite willing to discuss the matter.

Mr. Speaker: The hon. member understands full well, I am sure, that he is suggesting the addition of a clause 141. The motion reads as follows:

The said act is further amended—

Very strict limitations apply to any bill intended to amend existing legislation. One of those is very clear and stipulates that a motion can never amend the present statute, unless the pertinent sections are already now being amended or changed by the bill before the House.

[*English*]

The hon. member seeks the occasion to add a clause to the bill which in its very language indicates that the said act is further amended. It further amends the parent statute, and the language is an indication that the hon. member is seeking to go beyond the scope of an amending statute.

The hon. member will understand that the scope of an amending statute, as is Bill C-14, is limited to the clauses which it seeks to amend in its text. For the hon. member, as he is doing now, to seek to add another amendment which is not contained in the clauses of Bill C-14, and in addition which seeks to introduce a new concept, that is, the concept of requiring that every beneficiary or claimant shall first accept a direction by the minister to perform some kind of work or endeavour, is an idea which is not contained in the amending statute, Bill C-14.

In the first place, the hon. member is seeking to amend the act in a way in which it is not amended by Bill C-14. In the second place, and in any event, he is introducing a totally new concept, that of having to obey a direction of the minister before becoming a claimant. Therefore, I must conclude that the hon. member has gone beyond the scope of Bill C-14, and that motion No. 27 is out of order.

Motion No. 30 is in the name of the hon. member for Vancouver Quadra (Mr. Clarke). The hon. member for York-Scarborough (Mr. McCrossan).

Mr. Paul McCrossan (York-Scarborough): Mr. Speaker, when Your Honour called motion No. 12 earlier, I did not realize I had to jump in at that point. I hope I will be allowed to speak to motion No. 12 for a second because there is a simple remedy to it.

As Mr. Speaker will no doubt have observed, the effects of motions Nos. 7 and 14 are the very same as motion No. 12. Our purpose in submitting motion No. 12 was to enable us to

discuss both clauses at the same time. In the view of my party, the two clauses are so interrelated as to be inseparable in terms of discussion. We support restraint, but we disagree with the method the government is using.

Your Honour can solve the problem quite readily by combining motions Nos. 7 and 14 for the purposes of discussion, even though they will be voted on separately. We find difficulty in discussing one without discussing the other at the same time, because in our view they are all part of the same package. When Your Honour was combining motions yesterday, you did not come up with that particular combination. Since in our view they are the crux of our proposals to modify this bill, I suggest they should be combined for the purpose of discussion.

• (1532)

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to supplement what the hon. member has said. Your Honour indeed ruled quite correctly, but as my colleague has indicated, there is a very simple solution, and that is that clause (d) of motion No. 12 be numbered separately as a separate amendment. Concomitantly, the rest of the clauses numerically change. In other words, clause (d) would become motion No. 13 and the rest of motion No. 12 would remain. Your Honour could then lump both together for purposes of debate, but they would remain separate motions in order stricly to adhere to the procedural problem which Your Honour presented when you made your ruling.

Mr. Speaker: I get a different impression from the two presentations just made. The hon. member for York-Scarborough, the proponent of motion No. 12, seeks to amend two clauses. He tells me that his amendment is contained in one way or another in motions Nos. 7 and 14. If I were to group, I have said that motions Nos. 7 and 6 should be debated together, motion No. 6 being, if I recall correctly, to delete the clause and motion No. 7 being to amend it.

Mr. McCrossan: No.

Mr. Speaker: Perhaps we can take a moment and examine those two motions. The hon. member for York-Scarborough has told me that motion No. 7 could be grouped with motion No. 14. The purpose of his motion No. 12 would then have been accomplished. Do I understand that correctly?

Mr. McCrossan: Yes.

Mr. Speaker: I said that motion No. 14 should be debated and voted on separately. My suggestion to the House about the grouping and discussion of amendments is always a suggestion. It needs to be clarified by my understanding of the texture of the motion. If the House is agreed that motions Nos. 7 and 14 can be joined together for debate for the purpose of accomplishing all of the purposes the hon. member had in mind when he put motion No. 12 on the notice paper, that certainly is very agreeable to me.

It remains, however, that I cannot accept on procedural grounds the hon. member's motion No. 12. I am sure that does not put him in any difficulty because, if he is correct in his assessment, while he is discussing motions Nos. 7 and 14 he will have all the opportunity he wants to put forward the merits of what would have been an orderly amendment if it had been split in two pieces. Does that meet the accord of the House?

Some hon. Members: Agreed.

Mr. Speaker: That being so, perhaps the House can take it as agreed that motion No. 14 can be taken together with motion No. 7, which I have already grouped with motion No. 6, so the three would be discussed together. Perhaps during the course of discussion we can determine the manner in which votes should be taken when we come to them. Motion No. 12 remains procedurally out of order.

Motion No. 30?

Mr. Rodriguez: Mr. Speaker, I rise on point of order with regard to the lumping together of motions Nos. 7 and 14. As far as I can gather, motion No. 7 deals with the deletion of clause 4. That is the motion of the hon. member for Vancouver Quadra. His motion No. 14 looks at the implementation of a two-tier system dependent on whether a beneficiary has or does not have dependants. On the one hand, motion No. 7 is separate, having a certain intent, which is to kill clause 4 of the bill. Motion No. 14 has an entirely different thrust, which is to establish a two-tier structure.

Mr. Speaker: The hon. member seems to have a point that is well taken. Motions Nos. 6 and 7, in the names of two different members, seek to delete clause 4. Clearly they have to be grouped together both for debate and vote. Motion No. 14 may perhaps accomplish the same purpose as the hon. member for York-Scarborough had in mind in his motion No. 12. Obviously motion No. 14 relates to clause 5. I think the hon. member for Nickel Belt has a point that is well taken. There seems to be no orderly way in which they can be grouped. Motions Nos. 6 and 7 remain grouped.

Mr. McCrossan: Mr. Speaker, I agree completely that they would have to be voted on separately. However, motions Nos. 6 and 7 deal with clause 4 which recommends a method of saving money. We are proposing a different method of saving money, bringing it in under clause 5. We feel it is part of the justification of our procedure, which is to eliminate the clause 4 suggestions and bring in additional suggestions under clause 5. That is why we wanted to discuss them together, because they form the kernel of our idea. We are asking that they be discussed together, not voted on together.

Mr. Speaker: If I understand correctly, the hon. member for York-Scarborough is telling me that his motion No. 12 is out of order because it seeks to amend both clause 4 and clause 5. However, he will have the opportunity to make his remarks on either the grouping of motions Nos. 6 and 7 or on motion No. 14, both of which together would have somewhat the same

effect as he had intended in his own motion. Therefore his motion remains out of order. He will have the opportunity to address himself to the debate on motions Nos. 6 and 7, which have already been grouped, and in turn on motion No. 14 which remains in order.

Mr. Clarke: Mr. Speaker, I rise on the same point of order. Either Your Honour or I have missed the point the hon. member for York-Scarborough (Mr. McCrossan) was making. The grouping of my motion No. 7 for discussion with motion No. 14 would achieve what the hon. member for York-Scarborough is trying to do. If Your Honour will look at motions Nos. 6 and 7, they are identical. Motions Nos. 12 and 14 are identical with the exception that motion No. 12 proposes to delete clauses 4 and 5, whereas motion No. 14 proposes to delete only clause 5 and substitute another therefor. It is true that the package we have in mind requires the discussion of motions Nos. 7 and 14 at the same time in order to make a sensible argument. The reason is that the proposals in motion No. 14 would override not only the proposals in clause 5 but those in clause 4. That is why the discussion should be held together, although the votes would obviously have to be separate.

Mr. Speaker: I think the answer to it is that discussion on motions Nos. 6 and 7, which are grouped together, will range over motion No. 14. I do not think that the rule of relevancy should be so tightly enforced in the House at any time that the hon. member would be prevented from indicating to the House, in his discussion of motion No. 7, for example, that he had certain proposals with respect to motion No. 14 that would have an effect on it. Similarly the hon. member for York-Scarborough, in participating in the discussion on motion No. 7, will, I am sure, have reference to his motion No. 12 which has now been ruled out of order, but does not prevent him from discussing or arguing the merits of the idea he had in mind. Therefore the discussion will be as I indicated yesterday. Motions Nos. 6 and 7, both of which have the intention of deleting clause 4, will be grouped together for discussion and vote. Motion No. 14 will be discussed separately. Motion No. 12 is out of order.

Motion No. 30?

Mr. Clarke: Mr. Speaker, the intention of motion No. 30 is also to tie in with my motion No. 14. I understand the problem Your Honour has raised. I also understand from committee proceedings that it was sympathetically received by the government and perhaps some action might be introduced by the government at some stage to achieve somewhat the same thing. I am not sure of the order, but if it were possible to shift the content of motion No. 30 and, instead of making it a separate clause, add it to another clause, we might seek to do that. I seek the advice of the Chair.

Mr. Speaker: I have indicated my reasons for holding that motion out of order. I have also indicated my reasons for holding that motion No. 11, which is a government amendment, is out of order. It may be that when the House comes to conclude discussions on the report stage of the bill, depending on the success of the order tomorrow, the House may want to extend its consent to include these provisions in the bill. If the House wishes to do that upon consent, it may do so. I can only determine that on procedural grounds, as I think the hon. member for Vancouver Quadra understands, his motion is out of order. If he is able to secure agreement to introduce his motion, or obtain consent to have it form part of the bill through report stage and third reading, so much the better; but I have to indicate to him that on procedural grounds I must set the motion aside.

• (1542)

Motion No. 31?

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have a couple of arguments to present with respect to your preliminary ruling as to the admissibility of my amendment to clause 16, which is motion No. 31 on the order paper. You were kind enough to term my approach to this amendment "imaginative". I would like to say that at this time of economic crisis in this country, with over a million people unable to find work, imaginative approaches are surely what are required.

I am not sure I can agree with your suggestion, sir, that unemployment rates are not determined in this House. This parliament, as I am sure you and all hon. members will agree, is the chief body for the formulation of economic policy which exists in this country, and the rate of unemployment is surely one of the most accurate indicators of our success in formulating economic policies. I can think of no better indication of this than the bill which is before us. If approved, it will take close to a billion dollars out of the hands of those in this country who most need income support and who would be the ones most likely to spend the money in order to live. That spending would, in turn, do much to stimulate our economy, and its loss will do much to reduce the spending power of the 250,000 people who will be denied benefits. As a corollary to that, the loss of that spending power will create even more unemployment in our industries.

I would also point out that the 4 per cent figure I have used is not a figure simply drawn out of the air. When the government, back in 1971, first brought in the bill which is now before us for amendment, one of its clauses committed the government to accepting financial responsiblity for the cost of all extended benefits when the unemployment rate in Canada rose above 4 per cent. At that time we were told that such a provision would act as an incentive to the government to keep unemployment below the 4 per cent level.

In bringing this legislation before us, the government has talked a great deal about the disincentives of the present unemployment insurance program—at least, as far as the government identifies them. All I am seeking to do here is to return some incentive to the government. Surely they would not argue that what is good for 250,000 unemployed Canadians is not also good for them. Indeed, in view of our present level of unemployment it would seem the government needs all the incentive it can get to do something about providing jobs.

Again, I return to the point that a trigger figure is not something totally foreign to our legislation.

Finally, allow me to touch on Your Honour's point about the need for a specific time for legislation to come into effect. Last year we passed another amendment in the continuing series of unemployment insurance amendments when considering Bill C-27. That bill was due to come into effect upon proclamation. Yet to this very day, more than a year later, one clause of that legislation has still to be proclaimed. I refer, of course, to section 56, and while I hope it is never proclaimed, it seems to me there is a better argument to be made for having the government commit itself to a set of preconditions than for allowing it to make legislation and proclaim it completely at their whim.

To recapitulate, Mr. Speaker, this amendment gives the government a target toward which to work. It accepts the argument that the government, through its economic policies, is responsible for the level of unemployment, and it does set a time for proclamation, that time being when the goverment's economic policies have begun to be effective. I would also like to make the point that the amendment also goes far in tying our unemployment insurance program to our over-all economic performance, surely a step which no one in this House would argue is a backward one.

Mr. Speaker: The hon. member has made a very persuasive argument about the merits of his clause setting certain conditions precedent to the coming into force of the act. The difficulty lay not with the merit of his argument nor with whether some precondition should exist before the coming into force of the act. An act has to come into force at a certain time which is understood.

The hon. member refers to the fact that sections of other statutes have not come into force even though they were scheduled to come into force upon proclamation. Perhaps he might have indicated that some conditions might be precedent to the coming into force of this act by proclamation. I am not sure about that. But the fact is that the condition which he has described here is incapable of a certain moment at which all members of the House and all of the people in the country could be certain that the act could come into force.

The reasons are twofold. First, he has prescribed that the national unemployed rate would be a fixed rate for a certain period of time. He and his colleagues have argued rather vigorously in disagreement with the national unemployment rate as described by the government. The government has described the national unemployment rate at one level while he and his hon. friends, along with other members of the House, have argued that the national unemployment rate is in fact at a different level. Therefore there is no fixed rate at which the national unemployment rate is measured for the purpose of this clause, and there would certainly have to be an understanding that some set of figures, or some rule would be accepted as describing the national unemployment rate.

The difficulty is even greater. As I said yesterday, even if that could be agreed upon—which it cannot—the period is 12 months after the national unemployment rate has been at 4 per cent or less. The time at which that 12 months begins or ends is not fixed and is not described exactly. Therefore, on two counts, the moment cannot be fixed exactly. I have already said I do not want to deprive the hon. member of an imaginative approach to the coming into force of any statute but whatever formula or approach is used, it must lead to a fixed time which is understood by all. On those two counts, therefore, I say the motion fails to do that and so on procedural grounds, I have to set it aside.

Mr. Cullen: Mr. Speaker, I just wanted to confirm your ruling that motions nos. 11, 12, 27, 30 and 31 are out of order on procedural grounds. I did say in the debate last night on clause 11 that it was introduced because I had undertaken to do so at the committee stage and I will, as you have suggested, seek unanimous consent. I think there may be unanimous consent for that. Similarly, I understand that the hon. member for Vancouver Quadra (Mr. Clarke) is trying to make some arrangement with motion No. 30. But we understand that motions 12, 27 and 31 have been described as out of order on procedural grounds.

Mr. Speaker: The motions that in fact have been described as being out of order are the five I set aside yesterday; I am reaffirming that decision today. They are all set aside on procedural grounds. This returns us to the discussion on motion No. 1 from yesterday. At the time of the adjournment, the floor was held by the hon. member for Bellechasse (Mr. Lambert).

● (1552)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I fully understand the minister is anxious to have Bill C-14 passed by the House so that it be implemented as early as January 1. But I am a little surprised that some arrangements have been made. That happens sometimes not more at the level of the Department of Employment and Immigration than in other areas. Indeed they presume the legislation will be passed and give public servants the responsibility of making UIC offices across Canada aware of its provisions before the House and the Senate have actually agreed before royal assent. I think that is a shortcoming in our procedure which we should correct so that we no longer give the public the impression that we are here to debate and that decisions are made even before the votes are taken in the Parliament of Canada.

Mr. Speaker, last night at the time of the adjournment I was commenting on some remarks made by the hon. member for Charlevoix (Mr. Lapointe) who hesitated to accept a provision in this legislation because of some disparity in the evaluation of unemployment which may exist between different areas. I fully agree with him. I was surprised to hear him mention that rather worrying figure of 42 per cent unemployed in the north shore region.

Mr. Speaker, that assertion by the hon. member for Charlevoix, and I am very pleased, knocked the bottom out of the thesis of some people who try to make the public believe, not only during election campaigns but in other circumstances, that a given region will never experience economic health if it does not elect members from the majority party. Indeed, Mr. Speaker, that is absolutely wrong because the Canadian parliament is a responsible institution where, I am sure, all members co-operate in a constructive manner to help as much as possible the government meet its responsibilities, which consist in assuring all regions of the country equal opportunity for development in order that all workers find jobs and earn their living honourably, which would allow us to reduce considerably unemployment insurance problems, benefit problems, and all kinds of resulting difficulties.

Mr. Speaker, I sometimes wonder if the government is really willing to fight against unemployment or if it is not in fact fighting against the unemployed. This is not precisely the same. Fighting against unemployment involves taking the proper steps to ensure that in our country all levels of industries, businesses and farms will develop, so that our labour force, our workers, can find jobs and earn their living.

Yet, Mr. Speaker, in the last few years we have faced a major inflation and unemployment problem, and one has only to read the different budget speeches to realize that the government at every session, for instance in the twenty-seventh, twenty-eighth and twenty-ninth parliaments, always tries to fight against inflation even at the risk of increasing unemployment.

In another Speech from the Throne, one can read that the government wants to put some emphasis on the fight against unemployment at the risk of increasing inflation. It was exactly the same thing in speeches following the budget statement, be it under Mr. Benson, then minister of finance, or Mr. Turner, or Mr. Macdonald or Mr. Chrétien; it was always the same. The budget is designed to fight inflation. This has lasted long enough. Of course, it will increase unemployment, but unemployment is better than inflation. At other times the budget is designed to curb unemployment. Of course, it will increase inflation, but it is better to suffer from inflation than from unemployment. Mr. Speaker, we are getting nowhere this way. We keep doing the same thing without finding really good solutions.

In my remarks, I want to tell the government how much I hope it will finally present measures designed to promote positively the love of their work among workers so as to encourage them to accept jobs and give the best performance they can to earn a living and serve the country well.

Mr. Speaker, I am certainly not the only one to find it unacceptable that after making workers take retraining and refresher courses, after making them satisfy all sorts of requirements so that they can qualify and be able to accept a job in the labour market, these people, regardless of their age or responsibilities, after following religiously the advice of counsellors on their suitability for such and such line of work, after graduating from their course, can be asked by a prospective employer: Do you have any experience? Mr. Speaker, if I were 20 years old and if I told a prospective employer that I had just completed some sort of training course and this employer asked me if I had any experience, I think I would just slap him across the face. That is an insult. Someone says: I have just completed my studies, I have my diploma, I am ready to enter the work force, can you hire me, and is being asked if he or she has any experience. Mr. Speaker, if all those people who ask if the person looking for a job has any experience, if all those business executives, those departmental officials from whatever department and at whatever level of government, be it municipal, provincial or federal, had been asked the same question, not many of them would have been given a job. Everyone deserves a chance before being refused. The person has prepared him or herself. The government has made expenditures to help him acquire the skills needed for a particular type of work, a certain role, a trade, but if all employers refuse him or her the opportunity to work because of lack of experience, then he or she will never acquire the experience. The only experience that would then be acquired is that of rejection. That person will feel incapable of doing anything worth-while in this country and will say: I am now prepared to spend the rest of my life on welfare. Being a welfare recipient is not a vocation, Mr. Speaker. There are other things you can do in life. And that is where I would like once again to strongly suggest to the government, during the hard times we are going through, when the private sector cannot use all this manpower, all this youth, that the public autorities should take up their responsibilities by systematically organizing public works to build public facilities and things which are an absolute must for the population.

Lastly, Mr. Speaker, I see you are about to tell me that my allotted time has expired, I am willing to accept this, however I would like to suggest once again to the Minister of Employment and Immigration that, along with his colleagues, he should review once again this formula of guaranteed annual income that was put forward and was examined by the federal government and the provinces; this should be reconsidered and established as soon as possible, giving the opportunity to ensure that everybody has a minimum annual income, and leaving to each the hope to earn more by his work and thus ensuring for himself a better standard of living.

[*English*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, the first amendment to this bill is unlike the first amendment to the United States constitution, which gives the people of the United States free speech. We are obviously going to be denied that because of the imposition of the provisions of Standing Order 75C. The analogy I am making is a bad one, but the first amendment of a number of amendments which have been

put at the report stage of the bill gives us an opportunity to address ourselves to the bill in a general way.

● (1602)

I know Your Honour looks sceptical when I say that, and I am not unmindful of your intervention last night, but I think you will agree with me on reflection that if you read the provisions of the amendment now before the House, you will find that it does give us the same latitude as if we were in committee of the whole on clause 1 of the bill, which in and of itself is the same kind of free-wheeling debate as could take place at second reading or at third reading.

But this amendment at this time gives us an opportunity which is new, becuse we know as of today, as of the latest intervention by the minister, that there is to be an allocation of time, the imposition of Standing Order 75C, or closure. It is closure—a rose by any other name. We know that tomorrow the Minister of Employment and Immigration (Mr. Cullen) will stand in his place at three o'clock and he will move, under the provisions of Standing Order 75C, an allocation of time on this bill which will terminate this debate on the report stage and third reading stage as of a certain hour on a certain day.

No matter what we say or do, nothing can change that. All we can do is to voice our opposition. I think we always have to oppose the arbitrary use of closure, and we can do that within the provisions of the Standing Order for a period of two hours. We can make ten-minute interventions over a period of two hours, and I have no doubt that we will take full advantage of that two-hour debate to talk about the mismanagement of the business of the House which brought us to this unhappy impasse. So tomorrow, then, to all intents and purposes, will be lost to us as a day to discuss the report stage of this bill and some of the important amendments before us. I say "some of the amendments" because not all the amendments are important. Indeed, it can be argued that some of them are frivolous; but some of them are very important.

I think it is rather interesting that the President of the Privy Council (Mr. MacEachen), the government House leader, was not here and did not do what is customarily done by the one who is responsible for the management of the House, and that is stand in his place and give notice of the motion which was given today by the Minister of Employment and Immigration. Indeed, the President of the Privy Council was not in the House and you could almost read between the lines. You could almost hear the minister saying: You got yourself into this mess, Bud; now get yourself out of it because I will not do your dirty work for you. I could almost read that into what happened here in the House today.

The reason the President of the Privy Council would feel that way, being the good parliamentarian that he is and knowing the way the debate has been unfolding on this bill, is that he probably examined the record of the debate yesterday and found that not one government backbencher, not two government backbenchers, but three government backbenchers participated in this debate in addition to the minister. I suggest that the government has contributed to this debate as much as any other party in the House. I have not made a head count of the NDP; perhaps they had four speakers. Certainly they had no more than four, and the government had four, but we had only one speaker until we saw what was happening. Then we said that obviously, if this is the way it is going to be, we are going to participate in this debate. If the government is going to allow its backbenchers to suck and blow at the same time, which is what they did yesterday because the three hon. members opposite who participated in the debate all spoke against the bill, then we can take part in the debate also.

The hon. member for South Western Nova (Miss Campbell) did the most magnificent job of gobbling herself up whole—as my friend, the hon. member for St. John's West (Mr. Crosbie) would say, "gutted" herself up—because she voted for the bill in committee, and is on record as doing so since it was a recorded vote. Yesterday, she stood in her place and took her 20 minutes in this debate to express her opposition to this bill. I would defy any member of the House, including the minister, to read anything else into her speech except her great opposition to this bill.

If we go back a little bit, we will find the intervention by the Parliamentary Secretary to the Minister of Transport (Mr. Lapointe), who also spoke in opposition to the bill. All I can say for him is that he was not in the committee. I do not believe he participated in the committee and certainly he did not vote for the bill in the committee. Nevertheless, I do not know how he can reconcile his position as a junior member of the government with standing in his place in the House and opposing a bill sponsored by the government which he has taken an oath to serve. How can he reconcile that with his speech last night? That is for the hon. member and his own conscience.

It is well for us to take a look at what he said. He spoke about some of the provisions of the bill being commendable, and then he said:

—and I think that if this bill could be fairly applied for all Canadians I would not have any objection to support it.

Then he went on to state his objections to the bill and we have heard them over and over again. They are based on the 48 UI districts across the country and the fact that the provisions of the bill will apply inequitably, unfairly and unjustly. So it is right that we should be opposed to the bill. I will be watching very closely and very carefully to see how the hon. member votes when we get to third reading of the bill, and when we vote on some of the amendments dealing with the very objections that he raised. I suggest both to the Parliamentary Secretary to the Minister of Transport and to the hon. member for South Western Nova, who is a former parliamentary secretary, that we will be watching them. It is too late for them to take the powder now because they are on the record as being opposed to this bill.

Then, Mr. Speaker, there was the third intervention yesterday. What can I say about the hon. member for Hochelaga (Mr. Lavoie)?

An hon. Member: That he should take a walk.

Mr. McGrath: We have a term for it in Newfoundland. It is not parliamentary so I will not use it, but it has to do with the fish business. It is a part of the fish that has little or no value; it is useless. It could be used maybe for cat food as a protein supplement. I read the speech of the hon. member for Hochelaga and found that he also spoke against the bill. He said:

It is obvious that the government must cut expenses one way or another but, Mr. Speaker, I would not like to penalize people who are unemployed against their will and who have no other choice.

That could have been the hon. member for Nickel Belt (Mr. Rodriguez) speaking, it could have been me or any other member of the House, but, significantly, it was a supporter of the government. As we come to divisions on this bill and to amendments which address themselves to the very objections the hon. member raised, we will be very carefully watching the hon. member for Hochelaga vote on this bill.

I say to my good friends behind me who are making interjections that they do not have to worry about this side of the House. We have made it very clear that we intend to vote against this bill since it is now obvious that the government has no intention of dealing with our amendments. The position was put forward, and it has been a consistent one, by my colleague, the hon. member for Vancouver Quadra (Mr. Clarke), that if the government had accepted our amendments, then obviously we would have supported the bill. Now we know there is going to be closure and we may not even get to our amendments. Therefore, of course, we have no choice. I say to the hon. member for Nickel Belt and the hon. member from Toronto who is behind him, the hon. member for "Broadbent"—

● (1612)

Some hon. Members: Oh, oh!

Mr. McGrath: I say to the hon. member for Broadview (Mr. Rae)— "Broadbent" was close enough anyway—that he will have no doubt at all just exactly what our position is on this bill. We intend to make it very clear as the debate progresses. I am concerned that, as a consequence of what the minister has done, we may not get to some of the important amendments, including the amendment that stands in the name of my colleague the hon. member for Vancouver Quadra, and the amendment that stands in the name of my colleague the hon. member for York-Scarborough (Mr. McCrossan). Indeed, it is a fairly good bet we will not get to those amendments.

Mr. Knowles (Winnipeg North Centre): We will have to vote on them.

Mr. McGrath: We will have to vote on them certainly, but we will not have the opportunity of debating them and we will not have the opportunity of dealing with the inequities of this bill which were so dramatically, honestly and sincerely presented to the House last night by the hon. member for South Western Nova, the Parliamentary Secretary to the Minister of Transport and the hon. member for Hochelaga.

This bill is iniquitous. It is a bad bill, an unjust bill and an unfair bill. It is a bad bill, Mr. Speaker, and it is bad legislation. This is a bill with which I find very few people agree. Okay, so the government are going to practice restraint; but are they going to practice restraint at the expense of the hon. member for Hochelaga and the hon. member for South Western Nova? I see the hon. member for Saint John Albert who is going to be most unjustly affected by this bill, yet all we ever get from him is his furious points of order. He never makes a positive contribution in this House.

Mr. Landers: Mr. Speaker, I rise on a point of order. I should like to inform the House that the name of my riding changed about 15 years ago. Perhaps the hon. member's ideas about the riding are the same as they were when the riding had that name. The name of the riding is Saint John-Lancaster, not Saint John Albert.

Mr. McGrath: Mr. Speaker, that is consistent with the contributions the hon. member has made in this House since he has been here. I accept the correction. It is Saint John-Lancaster, and the hon. member had better learn to enjoy it because he does not have much longer to stand in this place and interrupt as the hon. member for Saint John-Lancaster (Mr. Landers); come the next election he will be back doing whatever it was he was doing before he came here.

Perhaps there is still an outside chance, a remote possibility, that the hon. member for Saint John-Lancaster may screw up his courage, stand in his place in this House and follow the good example set by the hon. member for South Western Nova and the hon. Parliamentary Secretary to the Minister of Transport, and speak out against this bill. He knows what it is going to do to his province. He knows what it is going to do to the unemployed people in his city. He knows that Saint John-Lancaster has one of the highest rates of urban unemployment anywhere in the country. He knows the 11.5 per cent triggering clause is going to exempt his area, and the people of Saint John are going to ask why they should be treated any different from the people on the north shore of New Brunswick. Why should the people on the north shore of New Brunswick have privileges in terms of qualifying for unemployment insurance which are denied those people in Saint John where the unemployment rate is 11 per cent? Let the hon. member for Saint John-Lancaster explain that to his people.

We know the situation, and if we did not know it we heard the evidence given by the province. Indeed, we heard the proposal placed before the parliamentary committee by the province of New Brunswick. It was co-authored by the province of British Columbia and presented jointly by the provinces of New Brunswick, Newfoundland and Ontario. We know how they felt about the bill. I see the hon. member from the north shore of New Brunswick.

Mr. Breau: From Gloucester.

Mr. McGrath: We have great admiration for him and I know he is going to say the same thing in the House that he says outside the House, and that is that this bill is an unfair, unjust and inequitable bill. I am awaiting the opportunity of listening to him because he always speaks eloquently, sincerely

and with great feeling and passion for the people he represents in this House, unlike his silent colleague, the hon. member for Saint John-Lancaster.

We know that the province of New Brunswick has said that if this bill passes in its present form its results will be the equivalent of the biggest industry in Saint John, New Brunswick, closing down. I do not know what the total income of the forest industry is, but I suggest there are not very many industries in New Brunswick that pay out $40 million a year. I believe that is the estimate of what New Brunswick will lose. That is $40 million a year put directly into the economy of the province of New Brunswick. Is it any wonder they took the unprecedented move of asking to appear before a standing committee of this House?

I wonder what the hon. member for Saint John-Lancaster would say if the Irving companies in Saint John, or in New Brunswick, were to decide they were going to close down all their operations and move to the Bahamas or the United States. The hon. member would be up the next day on a motion of urgent and pressing necessity, asking to adjourn this House. The impact of this bill will do exactly that to his province, yet he sits there mute. Shame! The hon. member does not do justice to the people who preceded him from the riding of Saint John-Lancaster.

If you look at the impact of the bill, Mr. Speaker, you will see how inequitable it is going to be. In Ontario it is going to affect 1.8 per cent of the claimants. In the province of New Brunswick it is going to affect 4.1 per cent of claimants. What is fair about that? In other words, an area where unemployment is the highest is an area that is going to be hardest hit by this bill. What could be more unfair? What could be more unjust than that kind of situation?

Surely if it is abuse the minister is after, there are abusers of the unemployment insurance scheme just as there are abusers of legal aid, just as there are abusers in the legal profession, and just as the medical profession abuses medicare. You will find abusers all over the place. This is not peculiar to unemployment insurance recipients.

I suggest that most of the abuses take place in parts of the country that will be the least hurt by this bill, namely, the most highly urbanized regions, paradoxically the regions of the country where unemployment is the lowest. All you have to do is go down the list. In the province of Alberta 1 per cent of the recipients of unemployment insurance will be affected by this bill, as opposed to 4.7 per cent of the recipients of unemployment insurance in the province of Newfoundland.

In addition, let us consider the special study which was commissioned by the minister's department into the hidden rate of unemployment. That study was put out by Statistics Canada, and we had to drag it out of them screaming. We knew it was under way and we placed questions on the order paper about it. Somebody arrived on Parliament Hill late Friday, like a thief in the night, and handed it in hoping nobody would notice it. Thank God somebody picked it up and as a result the government now knows what we have been saying for a long time, that the real rate of unemployment in this country is much more severe. Indeed, it is about 25 per cent more severe than the government pretends.

We know that the higher the rate of unemployment, the greater the rate of hidden unemployment. In my own province of Newfoundland, for that month they identified, 25,000 people were shown as unemployed when in actual fact, according to the study, there were 35,000 additional people unemployed, bringing the total to 60,000. When the government was saying that one million people nationally were unemployed, the actual fact was that there were 1,300,000 people unemployed in that month of March. These are people who do not draw unemployment insurance—I refer to the additional 25 per cent—because they have been unemployed so long they have become discouraged workers and are no longer counted. They have to sit around waiting for seasonal jobs, and these will be cut out from under them because of the terms of unemployment insurance. There are no other jobs for which they can look. Those are the people who will be hurt by this bill, the discouraged workers, amounting to 250,000 people in March.

• (1622)

Mr. Deputy Speaker: Order. I regret to inform the hon. member that his allotted time has expired.

Mr. Peters: Go ahead.

Some hon. Members: Consent.

Some hon. Members: No.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, while listening to the previous speaker a while ago I was quite surprised to hear him say he is against the bill because most members of his party voted in favour of it in the House. Still I hope that all members of his party will eventually vote against this measure because in this party we are totally against it. That is why I take the opportunity of the debate on that amendment motion moved by the hon. member for Nickel Belt (Mr. Rodriguez), motion No. 1, an amendment we would have liked to put forward ourselves, but we are pleased that the hon. member is doing it for us, the important thing being that the amendment is being discussed.

Mr. Speaker, maybe you will recall that we made few interventions at the second reading stage. As this legislation seemed to us so discriminatory and so ridiculous, we agreed to send it to committee to see which amendment the government or the minister would propose while it was there. We were quite disappointed when we noted that all amendments had been moved by opposition members, amendments which will die as all others, because the Liberal party has the majority. That is why today we feel obliged to deal with amendment No. 1, and we are doing now what we could have done at the second reading stage.

Mr. Speaker, the minister says the main reason for introducing this bill is to fight unemployment insurance defrauders. Imagine. If the minister were, Father—I am sorry, I meant Mr. Speaker, and I see that when one talks about SINs, one always thinks of clergymen—if the minister were, Mr. Speaker, to go after all cheaters in all areas, tax cheaters because some people cheat the tax department and run after all those who file fraudulent tax returns, or cheating doctors, cheating lawyers, cheaters everywhere, he would not have enough time to uncover thieves everywhere.

I think it would be better to check our own backyard. I say that we are now unemployment insurance premium cheaters. We require that all workers pay unemployment insurance premiums and the government pockets that money and does not pay what it should after taking that unemployment insurance premium out of the worker's pay cheque to guarantee him protection if he runs out of work. I say the government is the greatest cheater if we want to talk about cheaters because it takes even more from workers to give them back half as much as before. Mr. Speaker, if that is not cheating—and I say that the cheating starts at a high level. Let us not be surprised that at a lower level there should be a little cheating because the example is set at the top. That is what must be denounced and I think the government should be generous enough to set things in order to give back rights to the unemployed.

Mr. Speaker, in his statement on November 9, 1978, the minister said that the primary purpose of the changes he was proposing was to reduce certain disincentives in the present unemployment insurance formula. A second reason given to hide the real one. In fact, it is to discourage frequent users who use unemployment insurance several times during a year. From now on those clients will have to meet more stringent eligibility criteria, except in areas where the unemployment rate is either 11.5 per cent or 22 per cent of the labour force or over. The cyclically unemployed and people outside those areas will have to work a maximum 20 weeks to qualify instead of the ten or 14 required of casual users. Mr. Speaker, certainly not one member in this House thought for a moment unemployment insurance was a work incentive.

It has always been my belief that unemployment insurance is an insurance policy to cover the loss of employment risk, the premiums for which are paid by the employer, the employee and the government who appointed a commission to administer that insurance, because this is a labour or group insurance of sorts. For this reason, I cannot accept that unemployment insurance benefits be compared to social welfare benefits.

The second aim, according to the minister, is to promote the desire to work among people who normally get more money from unemployment insurance than a steady job. But where it is impossible to find work, and this is particularly true of seasonal workers, how can they be expected to find work anywhere? This hides the profound lack of concern of the government for poor Canadians since the average benefits provided by the Unemployment Insurance Commission rarely exceed $110 a week. The government can hardly blame unemployment insurance recipients if they want to get nearer the poverty line, even if it is at the expense of the state. This tactic suggests that this government is trying to gain political advantages at the expense of the poor and to supposedly promote employment on the backs of the unemployed. It would seem more humanitarian to increase the minimum wages or to promote the implementation of a guaranteed annual income than to force the beneficiaries to re-enter the labour market to seek badly paid jobs.

Is the government trying to hide its economic inability by passing legislation which penalizes mostly low wage earners? Can we expect anything else from a government which governs so unconcernedly and so badly that is has waited this long to introduce a bill which should have been debated several months ago? If the private sector followed the example of the government, it would be bankrupt within six months.

● (1632)

Does the government believe that you amend a bill simply by changing its title? The government should start by cutting back on extravagant expenses like the purchase of military airplanes at a cost of $2.5 billion and the fantastic expenses incurred for its travels around the world. This would provide the billions required to stimulate the economy.

The government wants to bolster the economy, and because of this, it is trying to find the necessary funds within the unemployment insurance program, as it did earlier with family allowances. We oppose the title of Bill C-14 because the new unemployment insurance legislation aims first of all at cutting off 250,000 people from the unemployment insurance lists. According to the figures, without seasonal adjustment, of Statistics Canada, there were 854,000 unemployed in Canada on October 20, 1978. We can therefore state that the Department of Manpower and Immigration wants to return 29 per cent of the present beneficiaries, or 250,000 unemployed, to the labour market when there are no jobs available.

Moreover, the commission wants to reduce weekly benefits by an avarage of 6⅔ per cent. It is therefore useless to think about cost of living indexing for unemployment insurance benefits. Even though the yearly inflation rate reached 8.6 per cent in September 1978, unemployment insurance benefits will be reduced from 66⅔ per cent to 60 per cent of insurable earnings. This means an effective reduction of 6⅔ per cent.

From now on, the commission will require repayment of up to 30 per cent of benefits received from anyone who makes over $20,500 a year. This is a flagrant injustice and an incomprehensible deviation from the present unemployment insurance system. Once again, the principle of universality is put aside to get back a few dollars more. The wage earner who

makes $20,500 a year contributes generously to the unemployment insurance fund.

So when he claims unemployment benefits after losing his job, he must get the same guarantees as any other unemployment insurance recipient. It is unfair and discriminatory that this individual must return part of his benefits if he earns over $20,500 when he is reintegrated in the labour market.

The government evaluates at $1.5 billion its savings under the proposed changes. We should note that the savings made in unemployment insurance represent $1.5 billion or 60 per cent of total cuts. Obviously, the government justifies this accounting exercise by pointing out that the savings made in unemployment insurance will be reallocated to job creation programs, job training programs, and the reduction of the employer and employee contributions to the Consolidated Revenue Fund. However, those changes are beneficial to the employer and employee while their cost is mostly supported by unemployment insurance recipients and workers. Does this mean that Canadian workers subsidize 60 per cent of the cost of our economic recovery? We can really say that the unemployed are at their wits end.

The many changes made from time to time by this government to the unemployment insurance program are causing more and more hardships to the unemployed. For mysterious reasons, the government has declared war against the most unfortunate of our society. The family allowances bill was a good example of this. As concerns the unemployment insurance bill, it just confirms that tendency. What strikes us about this bill is the negative nature of those amendments. You can certainly support measures intended to make ineligible those who abuse the system, but when you see so many measures applied without distinction to the unemployed and the freeloaders it gives you cause for reflection.

The percentage of unemployed is much higher than the percentage of those who abuse the system. A study of the Economic Council of Canada maintains that four out of every five unemployed who draw unemployment benefits are jobless for reasons beyond their control. By reducing benefits rates from 66⅔ per cent to 60 per cent of the average weekly insurable earnings the government unfairly penalizes those who are really unemployed as well as the freeloaders.

As a corollary to the last point, let us mention that in the case of the unemployed, that is, the person who really cannot find work, the cost of living is going up every year just as it does for the rest of us. But instead of providing compensation for the loss of income stemming from inflation, the government decides to reduce the rate of benefits. Bearing in mind the inflation factor, the unemployed person is now being doubly penalized.

In a statement published on September 1, 1978, the Minister of Employment and Immigration (Mr. Cullen) explained, as follows, one of the prime objectives of the new amendments to the Unemployment Insurance Act. I want to make sure, he said, that the unemployment insurance program fully encourages Canadians to seek employment. Even if there is no work, they must find a job. With the new regulations going into force, about 240,000 recipients will therefore have to seek and find jobs. That truly is a strange goal, considering the fact that at the end of September there were 940,000 unemployed and, at the very same time, only 50,000 jobs were available in Canada.

● (1642)

How will the minister manage to convince 249,000 idle workers to apply for those 50,000 jobs? The proposal of the minister sounds quite like a magic trick. With this new bill the government is once again putting the plough before the oxen. Before initiating such drastic cutbacks in the unemployment insurance program, the government should try instead to stimulate the economy thereby creating employment because the creation of jobs is the surest way to lower the cost of unemployment insurance. However, I warn the government that it is not by doubling the number of bureaucrats that it is going to create new and productive jobs.

According to the government, one of the flaws of the present system has to do with the ease with which people can find a job and be again in a position to draw benefits. They see a chronic evil in that fact. Yet is it truly their fault if they cannot find a job and have to rely on unemployment insurance to survive? Unemployment insurance actually becomes a form of guaranteed annual income for a good many unemployed and the government seems to be opposed to this philosophy, yet it is showing itself rather receptive to the principle of a guaranteed annual income as such. The least that can be said is that this government is not very consistent or coherent in its way of thinking.

The government is claiming that it is more than ready to open a dialogue with the provinces. With regard to the amendments put forth with respect to the unemployment insurance bill, it has only been partly receptive to the recommendations submitted by the provinces. As a matter of fact the Minister of Employment and Immigration refused to comply with the expressed wishes of the provinces at the last federal-provincial meeting. These provinces were asking him to delay the implementation of the new changes and rather to wait for the release of a study on the impact these new changes might have on the various welfare agencies. If one decides to go ahead with the changes before learning of the content of the study, why then bother with ordering that study in the first place?

The unilateral approach was paramount in this case and the federal government keeps accepting the contributions of the workers while having the provinces pay for social welfare. These same 249,000 unemployment insurance beneficiaries who will be dropped off will not all be able to get a job as we have seen. Consequently, because we are not yet living in an era of guaranteed annual income, these same people will have

to turn to the welfare program and, therefore, the provinces will have to take over responsibilities assumed up to now by the federal government. Again today, Mr. Speaker, the House has before it Bill C-14, to amend the existing act. But we are aware that in reality it is the members of the commission, together with the minister, who will write the regulations, which will not require passage in the House and which will change the entire interpretation of the bill.

I have an example from my riding concerning farm workers. The original legislation treated these workers the same as all other industrial or commercial workers. However, under regulation 57 established by technocrats and the minister, farm workers must have worked a minimum of 25 days for a minimum wage of $250 to be eligible. I always thought that this was made on a voluntary basis. But I learned today from the minister that this is mandatory and that those 25 days must be worked under the same employer, which is worse, and which is not even mentioned in section 57 of the unemployment insurance regulations.

I say to the minister that this is misleading the workers in addition to making people believe this section is in the act. And I want to tell him that some officials mislead the workers by telling them it is in the act when it is only a common regulation. However, the minister, in reply to my question, said that this regulation had been suggested to him by the farmers' federations, but I must point out to him that after contacting some provincial associations, I can prove that when one or two associations agreed, the regulation became optional. When the minister made it mandatory, they were not consulted, even though a majority of them are opposed to section 57 in its present form.

I want to be honest and I want the government to be honest with all my fellow citizens. I swear that I will not stand seeing more than 100 of my fellow citizens, who have been working in Ontario for years picking fruits and vegetables, deprived of unemployment insurance benefits. When I think that for many years—

The Acting Speaker (Mr. Ethier): Order! I regret to interrupt the hon. member, but the time allotted to him has expired.

[*English*]

Mr. Paul McCrossan (York-Scarborough): Mr. Speaker, it is an honour to rise here today to make my maiden address on one of the most serious areas of mismanagement of our economy, the unemployment insurance system. The deficit in this system will amount to almost one-fifth of the total government deficit this year. This deficit will arise from a combination of factors. By far the most important factor is the tragic mishandling of our economy over the last ten years, mishandling which has seen the aspirations of Canadians from coast to coast thwarted; mishandling which has seen our regional differences, both politically and economically, widened.

[Mr. Gauthier (Roberval).]

Another very important reason for the large deficit in the unemployment insurance plan is the terrible design of the plan itself. We on this side of the House have spoken often about redesigning the plan to cut abuses. We have spoken often about the need to bring deficits under control. We were speaking about restraint years before the deathbed repentance of the Prime Minister (Mr. Trudeau).

Furthermore, by proper redesign much more money could be saved and far less hardship would be caused. However, I contend the proposed changes will not do the job, are poorly conceived, and will only serve to create hardships among many hundreds of thousands of victims of this government's mismanagement.

How did the current problems arise? There was a general feeling in the late 1960s that the benefits were too low under the plan and that some recipients of unemployment insurance benefits bordered precariously on impoverishment. After 30 years of working a little too well financially, the government introduced massive changes in the plan. It widened the scope of the benefits, increased the coverage, increased benefit amounts, increased the covered earnings, decreased the qualification period, and changed the method of financing. The 1971 changes were dramatic. They were almost breathtaking in scope. But history has proven that the 1971 changes were disastrous in design.

Recent public opinion polls show that a very high proportion of the population, usually over 80 per cent and most recently 88 per cent, believe that the unemployment insurance system is subject to widespread abuse. Just recently I joined the House after campaigning for the better part of a year, and I can confirm that this perception is very widely shared among the electorate. I made a point of asking people at coffee parties and public meetings why they believed the abuse was so widespread. The answer was shocking. Over a period of some three months, every single person I asked claimed that personally they knew someone who abused the system. They personally knew someone who had received benefits from the unemployment insurance system while having some other sort of cash income, or who had taken benefits from the unemployment insurance system while not seriously looking for work. The public's perception is that there has been and still is widespread abuse of the unemployment insurance plan.

What action has the government taken about this abuse? It has attempted to tinker several times with the concepts introduced in the 1971 bill. It has tried advertising campaigns to convince the Canadian public that the abuse is minimal. Also it tried advertising campaigns to convince the cheaters that somehow cheating is unpatriotic.

I am an actuary, and I am one of a handful of actuaries in Canada who has actually priced and designed income protection plans. This is an area which is loaded with pitfalls, an area where it has been demonstrated time and time again, in country after country, that when an income protection plan is not properly designed, widespread abuse of the plan will take place.

The evidence in Canada is overwhelming that widespread abuse has taken place. The public knows it; the statistics prove it. But let me try to put this abuse into perspective. My experience in design of private insurance reinforces the conclusions of actuarial and other economic studies of the unemployment insurance plan to suggest that about 1 per cent to 1.5 per cent of the working population is abusing the plan. This is about one out of six of the unemployed. It is the actual design itself of the plan which leads to this abuse.

My friends in the New Democratic Party probably would argue that my estimate of the amount of the abuse is too high. That is a point I could debate with them. However, whether my figures are too high or not, the basic fact remains that the vast bulk of the unemployed are legitimately unemployed. They are not cheaters. They are unemployed because of the ineptitude of this government. They are unemployed because there is not enough work available in the country.

This government is trying to conceal its own ineptitude by blaming the unemployed for its failures. In his address on August 1, the Prime Minister referred to those who chose not to work. Referring to the proposed changes in the unemployment insurance bill, federal spokesmen have used words such as, "UIC crackdown" and "weeding out the abusers". For the government to pretend that its current proposals for unemployment insurance will "weed out the abusers" is unethical and dishonest.

We on this side of the House recognize there must be changes in the unemployment insurance plan. There must be cuts, but they must be sensible and intelligent ones which curb abuse. Each of the proposed changes presented by the government does not distinguish in any way between honest and dishonest claimants. The changes proposed by the government represent no less than an attempt to ride to popularity on the backs of the unemployed whom this government is responsible for creating.

In his introductory statement to the House, the Minister of Employment and Immigration (Mr. Cullen) stated that he tried to wield a scalpel instead of an axe. A scalpel is a precision instrument when wielded by a surgeon. However, a scalpel in the hands of a layman can result in cutting away the muscle rather than the tumor. A scalpel in the wrong hands can result in the victim bleeding to death through a series of painful cuts. At least the axe has the virtue of putting the victim out of his agony quickly.

● (1652)

The minister has stated that the prime objective of his proposals is to "reduce some of the disincentives to work which are present in the program". "Reduce the disincentives to work"—doesn't that just roll off your tongue nicely? What the minister means is that many thousands of families in desperate straits are going to have essential dollars removed from their incomes when there is no work available.

What the minister means is that in areas of high unemployment people who are unlucky enough to lose their job twice in a year can be cut off benefits. What the minister means is that people returning to the work force after a period of absence must find 20 weeks of employment to be covered, work which may not be available because of the economic mismanagement of this government.

In order to eliminate the political problem of the public's perception of abuse within the unemployment insurance system, the minister appeals to the worst in the electorate. He appeals to the electorate to cut back all of the unemployed's benefits, knowing full well that the vast majority of the unemployed, at least five out of six, are unemployed because of this government's economic failures. He has thrust that scalpel into the gut of the unfortunate and is twisting it about.

The burden of the government's proposed changes falls very unevenly in this country. Going back ten years, we had regional disparities in this country. However, the rate of unemployment in the more fortunate provinces differed only by 2.9 per cent from the rate of unemployment in the less fortunate provinces. Today, Mr. Speaker, that difference has widened terribly. The difference between the unemployment rate in the more prosperous provinces and that of the less prosperous provinces was 7.9 per cent last year, nearly the 8.1 per cent average rate of unemployment across the country.

These proposed changes will fall most heavily on that area of the country that can least afford to bear it—the Atlantic provinces and Quebec. In his initial national election campaign, the Prime Minister committed our country to a national goal, the goal of eliminating, or at least significantly reducing, regional disparity. The Prime Minister talked about the just society. Where is the justice of these proposals? Where is the justice of exacting the largest penalties from the areas least able to afford it, the areas where the government's own failure is causing the problems?

I agree with the Minister of Employment and Immigration that the government needs to wield a scalpel instead of an axe. But the scalpel has to be in the hands of a surgeon to be of use, in the hands of someone with compassion, someone with understanding, someone committed to designing a workable plan, a fair plan, an equitable plan that will provide Canadians with the protection they deserve at a price they can afford.

Let us look at the basic premise underlying the current and the proposed plans. The government has tried to design an unemployment insurance plan which provides one level of benefits, 60 per cent of earnings, for Canadians making less than $12,500 regardless of their situation in life. I think it is obvious that any benefit which is high enough to be adequate for a family consisting of a husband, a wife and children with only a single wage earner will be more than adequate for a single wage earner with no dependants, and can even provide an incentive to exploit the plan with no financial loss to certain types of secondary wage earners. Consider a family supported by one wage earner, either a single parent family or a two parent family, where the wage earner earns $200 a week. Under the current plan the wage earner could, if unemployed, collect up to $133 per week.

I submit that few heads of families would find any inducement whatsoever to quit their jobs to take that sort of income

cut. In fact, I believe that the ministry's own statistics bear me out. Only about 14 per cent of the claimants of unemployment insurance are heads of families. However, consider for a moment the other extreme. Consider the case of a working mother whose husband is already at work and who has two children and makes the same $200 per week. In metropolitan Toronto that mother would probably have to pay someone about $50 per week to look after her children during the day. She would also have to pay at least $10 per week in transportation and miscellaneous expenses.

The point is that, even before taxes or fringe benefit costs are brought into consideration, the most such a person can earn is about $140 per week. Yet, Mr. Speaker, that $50 per week is probably not being paid to someone willing to give receipts for income tax purposes. I am sure you know that that is probably illegal, but it is also probably the fact of the situation. In any case, this means that such a working mother would actually pay taxes on that $200 per week and that her net take-home pay would actually be lower by working than what she could receive by quitting her job and going on unemployment insurance.

I am not suggesting for a moment that the majority of working mothers are ripping off the system or even that a large proportion are. In fact, I am suggesting just the opposite when you remember that the problem is restricted to about 1½ per cent of the working population. The point is that the current plan is designed in such a way that it makes it profitable for certain people in the country to rip off the system.

If there is one thing that governments and insurance companies have learned over the years it is that when they present these opportunities to people, some people take them up on it. Those people can say to themselves, "I've got the insurance, I've paid for it, the insurance company or the government has plenty of money and I'm entitled to it." Actuaries call it "anti-selection" or "moral hazard". The public just thinks of it as cheating. I submit that by definition there can be no single insurance amount which is adequate for a head of a family which is not so over-adequate for certain types of secondary wage earners as to cause widescale abuse of the plan. Similarly, there is no single level appropriate for people without dependants which will not cause hardship to single earner families.

What the government is doing in its proposal is to reduce the proportion of covered earnings from 67 per cent to 60 per cent for all earners. I submit this will cause considerable hardship to many sole wage earners who are unemployed and who are supporting families. That extra $13 lost a week over a period of weeks can just grind families down.

However, it is equally obvious that the $13 a week cut does not remove all the financial incentive from other categories of workers. It will still be possible for certain categories of secondary wage earners to benefit by being unemployed. When they can benefit, some will choose to benefit. The government will save some money with their cuts, but they will not significantly curb abuse.

[Mr. McCrossan.]

The fundamental principle in designing income replacement plans is to ensure that benefits provided bear a proper relationship to the net income of the insured. I suggest that it is not a difficult job whatsoever to design benefits which vary by family status to provide just that sort of relationship to need.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Simcoe North (Mr. Rynard)—Health and Welfare—Progress in field of behavioural medicine; the hon. member for Algoma (Mr. Foster)—Regional Economic Expansion—Development of northern Ontario; the hon. member for Ottawa West (Mr. Francis)—Public Service—Cost of booklet circulated to employees.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. It being five o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills, private bills, notices of motions.

Item No. 8, the hon. member for Okanagan Boundary (Mr. Whittaker). Shall the item stand by unanimous consent?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Item No. 9, the hon. member for Burnaby-Richmond-Delta (Mr. Siddon). Shall the item stand by unanimous consent?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Item No. 10, the hon. member for Davenport (Mr. Caccia). Shall the item stand by unanimous consent?

Some hon. Members: Stand.

HOUSE OF COMMONS

MEASURE TO FIX DURATION AT FOUR YEARS

Mr. Ralph Stewart (Cochrane) moved that Bill C-212, respecting the duration of every House of Commons, be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, the essence of this bill is to have fixed dates for our general elections. When I first introduced this bill in the last session, it was together with two other bills as a sort of package. The idea was that all of these measures could be debated at one time in our discussions on changes to the constitution. Unfortunately, we have not had an opportunity to go into that matter fully.

This bill is rather related to the others in that it would help to simplify the operation of this House. One of those bills had to do with the designation of a seat on Parliament Hill to be occupied by Mr. Speaker. The second one had to do with the automatic designation of seats for the leaders of the government and opposition. The third had to do with fixed dates for elections.

● (1702)

There is nothing new about this principle; several other members have brought it up in the past. The hon. member for Timiskaming (Mr. Peters) had such a bill on the order paper on a number of occasions so that we might be able to put some order and planning into our work and, more important, so that the people of Canada might know exactly how long a government would be in office and precisely when a new administration would be taking over.

As hon. members are aware, the twenty-ninth parliament was a minority parliament; we did not know from one day to the next whether parliament would continue or not. Everyone at that time was very anxious that something be done about determining when elections would be held. Arguments came from both sides to the effect that the situation would be much more stable if there were fixed election dates, whether there was a minority government or not; the people would make a decision and we would stick by that decision. The way things are now, we are supposed to second guess the people. If the people decide they want to send one party or another here, that is their privilege; we ought not to turn around and say: Unless you give us "X" number of members we shall not be able to carry on as a government or as a properly formed House of Commons. My view is that we should be obliged, as representatives of the people, to go ahead and represent them in the way they have chosen.

Surveys were made at that time. I made some surveys with respect to simplifying the work of the House. One suggestion was that members might work here for three weeks and then be off for one week so that we could do work in our own constituencies. Everyone was ready to accept suggestions of that type, in particular that there should be a fixed term for parliament. Of course, as soon as the majority government came about in 1974 most people forgot about it. In recent months, however, I have received a little publicity in connection with this bill and as a result letters have reached me from all parts of the country. I have been on open line shows even in Vancouver—over the telephone from here, of course. People called in and I do not recall any single individual who disagreed with the idea of fixed election dates. They all stated unequivocally it is time we adopted some procedure like that.

On most occasions when we discuss matters of this sort it is said we are imitating the United States or adopting a republican form of government. People like to place labels on these things. I do not believe this would lead to a republican form of government at all. If it happened to suit our purposes and it is best for the people of Canada, there is no reason why we should not go ahead with it.

The bill itself states that the next general election will be on the first Monday of June of next year and subsequent elections would be held every four years thereafter, the new administration taking hold on July 1. But this measure differs from some of the other bills in this area in that it would include a kind of ceremonial sitting of the House of Commons on July 1 at which time the new administration would take over. It would be a ceremonial sitting at which the people would be able to participate. It would take place on Parliament Hill and it would include people from all parts of Canada and from all walks of life, people of various ethnic groups.

As part of the ceremony citizenship certificates could be given out. There are any number of things we could do. We could include some of our religious leaders to show we have not forgotten about the existence of a supreme being. As I say, there are any number of things which could be included in a ceremony of that kind. In this bill I am suggesting that such a ceremony should take place every year at the beginning of the new session. There would be four sessions but, of course, the most important ceremony would be that at the beginning of the new parliament.

It is unfortunate that whenever we want to get something done around here we invariably say we must use a non-partisan approach. In other words, if we want to do anything right let us forget about partisan politics. I agree there is too much partisanship generally. The very fact that people would make that remark about approaching a subject in a non-partisan way shows there is too much partisanship around here. If there were a four-year period during which everyone knew very well there was not going to be an election, perhaps we would get down to work and do business without always taking a politically partisan approach. This, in my view, would be one of the most important things to be gained by holding an election only at fixed dates every four years.

It is also unfortunate that most of the ideas that private members bring forward, such as this one, for example, are discussed only briefly during private members' hour and then forgotten, simply because they are talked out, as it were, and there is no opportunity for them to be discussed more fully in committee. Many members before me have described this as being a very poor approach. Many of the issues brought up during the private members' hour could well be sent to a

committee. I do not care what quarter of the House they come from, but it should be possible for them to go to a committee where they could be carefully considered. This does not mean they would be accepted; they could be modified, if need be, and brought into line, perhaps, with majority thinking. Then one day they could be brought back to the House for adoption in some form or other.

We do not do enough of this sort of thing and I believe it is unfortunate that most of the ideas put forward by private members are simply left to die on the order paper. Since I have been in this chamber, almost 11 years, a number of worth-while suggestions have been put forward by hon. members, including myself, but they were not adopted because of this system we use. It is a big mistake. We sometimes say the committees do not have enough work to keep them busy, that they should be sitting more often, dealing with matters in greater depth and adopting an investigative role. Despite this, we are reluctant to pass on some of these ideas which originate in the private members' hour to committes where they could be discussed more fully and perhaps improved. Undoubtedly the hour of six o'clock will come and someone will still be talking, but at least I put in my plea once again to those who look after government business that it is time to take a more serious look at this whole system and to include some of these private members' bills among the subjects discussed in committee. A number of them might then be incorporated in legislation. If not, at least the views expressed will have been aired. That is what the people of Canada sent us here to do and that is what they expect us to do.

● (1712)

Mr. Rob Parker (Eglinton): Mr. Speaker, in rising to speak on this private members' bill I suppose I should begin by pointing out the agreement which we on this side of the House have with the author of this bill in that good ideas from all corners of the House are always acceptable. We are very interested in examining suggestions for improvements to the legislation of Canada whether emanating from private members or the government. That sentiment is obviously one which is shared not only by the author of this bill and by members on this side of the House but also, indeed, by the government. It is quite possible to say that all of the good ideas the government has had for the last ten years have come from this side of the House to begin with.

There are a number of things about this bill, however, which, once we get past the principle of being willing to examine any suggestion, occur to me. The first is that this bill purports to amend the British North America Act. I may have been labouring under some sort of delusion for the last 35 years, but it is my understanding that one of the greatest problems facing Canada today is the difficulty of amending the British North America Act.

We have been trying for close to 50 years to amend the British North America Act and we have been unable to agree on exactly how to do it. Here is a private member's bill from a distant corner of the House which purports in four or five paragraphs to do it. I find that strange. I would not suggest that it is arrogant. I do not think any private members opposite are arrogant. Arrogance is a very special kind of disease, and the carriers opposite are restricted to a certain number of seats. However, if one sits too close to the carrier of a disease, sometimes the spores may be borne on the wind and one can be infected. I would not make that accusation; I merely suggest that it is possible in this case that the author of this bill may have got the idea that with a private member's bill he could do what the government of this country has been unable to do, despite all its efforts, for the past ten years.

In the explanatory notes there is the assertion that, and I quote:

> The purpose of this bill is to fix at four years the duration of every House of Commons notwithstanding any successful "no confidence" motion. If a minority government suffered a defeat on what is traditionally accepted as a "no confidence" matter, there would be required the development of a convention of the constitution which would enable a government to carry on until the day fixed for a general election.

I remember a movie a few years ago entitled, I think, "Carry on Regardless," which it seems to me is what is being suggested here: carry on despite having lost the confidence of the House of Commons; carry on despite having been defeated.

In proposed section 50(3) of the act there is provision for a government to be defeated on a motion for the approval of its budgetary policy, a motion to concur in main estimates or a motion expressing lack of confidence, so perhaps that covers that objection; but it seems to me somewhat fundamental to our system of parliamentary democracy that one of the few protections the people of the country have is that, if the government is defeated in this chamber, it must resign and ask for a new mandate. It is verging on the outrageous to suggest that that be altered. One of the fundamental protections in our system is our ability to dismiss the government.

In another clause of the bill it is suggested that there be a ceremonial gathering, a pretty ceremony, once a year on or about July 1 at which there would be participation by representatives of the different walks of life and ethnic and religious communities in Canada. Surely it is not going too far to suggest that that is what we already have in this chamber. It is the entire purpose and foundation of this chamber that we be representative of the different walks of life and ethnic, religious, social, political and geographic communities in Canada. I would have no objection, in a ceremonial sense, to adding other representation to this body on one day of the year. I think it might be instructive, for example, to have our friends in the fourth estate come down from their special perch for a while, but I am not sure that would get directly at what the hon. member is suggesting in this bill.

The hon. member also suggested that perhaps there is too much partisanship. He suggested that the proof of that argument is that frequently people comment that there is too much partisanship. That reminds me of a duck flying through a cloud of birdshot and saying, "There is too much birdshot around here". The hunter does not object to the birdshot, just the bird, and he objects to it because it is aimed at him. That may be what has happened on the other side of this House.

Partisanship has its disadvantages from time to time. There is such a thing as being too partisan, I suppose, but it seems to me that partisan politics and the act of being partisan are fundamental protections. Partisanship is built into this chamber. This chamber is designed for partisanship. If there were no partisanship, this chamber would not function. Our benches are divided by two sword lengths, precisely because of the partisan history and development of this kind of chamber.

A reaction to too much partisanship is somewhat suspect. Over the past few months the government has received no partisanship from this side of the House, merely honest, objective criticism of its legislation and of what it is doing. We do not believe in being partisan or taking partisan advantage in this chamber. We save that for the hustings, which is its proper place. There are people in this House who on occasion take partisan advantage, and surely some of that must be allowed.

As to referring this bill to a committee, which is a possibility with any private member's bill, I agree with the general principle of referring private members' bills to committees for discussion, but I come back to my first point. At all the committees, special task forces, federal-provincial conferences and first ministers' conferences the only prime minister in recent history who has been able to get unanimity from the provinces is our present Prime Minister (Mr. Trudeau). The Prime Minister has been able, after much effort this summer, to get the provinces to agree on one thing, and it is a constitutional matter. Our Prime Minister has been able to get the provinces to agree that his approach to constitutional reform is wrong. The provinces are unanimous on that point.

That is a great achievement. It is not the achievement we need, but it is a great achievement. It is unique, and if we are to consider amending the British North America Act, which I think we need to do—and we may indeed need to do it in the area this bill addresses—I suggest that we turn our attention first to getting another kind of national unanimity, one which agrees with the Prime Minister. If we cannot get unanimity which agrees with this Prime Minister, perhaps we can get unanimity which would agree with a different prime minister.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am very pleased to support the bill which the hon. member for Cochrane (Mr. Stewart) has put before us today to regulate parliament. As the hon. member says, it is the kind of bill which should go to committee. There should be some input from quite a number of sources, and surely we can come up with a better system than the one we have at the present time. I probably would disagree with some of the measures the hon. member has proposed, but I am sure that would be true no matter what bill was before us. Someone would see something wrong, and that is really why bills should be referred to committees.

I am particularly impressed by the hon. member's argument that the government should not have such cold feet that it cannot at least refer some bills to committees so that those committees can have input and recommendations might be tried out on the hustings, in the newspapers and in a number of fora besides committees. Surely in that way some solutions could be arrived at.

• (1722)

There has never been a better time to discuss this bill than right now. For the first time in a long while we are in a period of a delayed election. The election was planned first for last spring and all systems were go. The main thrust came last spring—although there had been small flurries before—when it was anticipated that an election would be called and everybody was prepared for it. It was interesting to hear the Prime Minister going round the country saying that he had spoken to many people and had found that they did not want an election. He said that elections cost money and that at this time we should not be spending money but rather getting on with the business of governing the country.

I say that if we are going to have a democratic process, if we are going to operate in the British tradition, it is normal to have an election periodically. The law under which we operate today is a very loose law which says roughly two things. It says, first, that we must have an election every five years at least, that an election must be called within a five-year period; and second, that there must be a sitting of parliament every year. That means that under that definition an election should be called in early July. But because we will have a session in January of 1979, an election need not be held in 1979. I suppose it could be delayed until September, 1979, or we could go even into the next year.

Mr. Breau: Until December of 1979.

Mr. Peters: There would be a session in 1979 and a session in 1980, so an election would still be called within the five-year period. That would make sense only in specific circumstances and if you decided to fit the rules to a given set of circumstances. However, it seems to me, as it does to the hon. member for Cochrane, that a much more sensible arrangement is to have an election called within a set period of time, I suggest a four-year period, and that the election be held on a set date. The day of the week might vary, or else the day of the week could be set in such and such a month. I think that there must be safeguards in any system, and therefore a method should be devised whereby an election could be called more often than in the set period of time. Also, there should be a possibility of lengthening the set period of time under certain circumstances such as a war or a revolution.

An hon. Member: Or bad polls.

Mr. Peters: No, not bad polls. I have a bill proposing the abolition of polls. I think that would be an awful way to run a country. We have been operating on the poll structure for too long. Mr. Gallup and our Prime Minister (Mr. Trudeau) have developed a great relationship. I do not think that should be the way to set the length of a parliament.

If we go back to the King-Bing issue—probably a bad example because the right decision was made but the public supported the wrong decision—there was an opportunity for

the Governor General to act by saying that, because the government was defeated, it did not necessarily mean an election should be called but that the opposition should be asked to form the government and be given the opportunity to do so. I believe there should be such a reasonable arrangement—and it would have to be a pretty formal arrangement—whereby the government could be changed in a four-year period without an election necessarily being called.

I am sure that if any member of parliament were asked now about an election being called, he would agree that we should have one and get it over with, whatever the result might be, but that some decision must be taken before long, because obviously this is a lame government and will continue to be so until an election is called.

We need another safeguard. In another bill I suggested the safeguard of a vote by 75 per cent of the members of the House on a motion put forward by 15 or 20 members stating that the House has now reached a stage at which it is desirable and beneficial to the nation to have a general election. If 75 per cent of the members supported such a motion, an election would be called, notwithstanding a set period of time in which elections are called.

The hon. member for Cochrane made mention of a ceremonial session in parliament. I have not much objection to that, but I certainly hope it would not rain on the day we decided to sit outside. In my area July 1 has been a rainy day for some time now; it has been a great time to get wet. Maybe that in itself would have an equalizing effect on the people attending the ceremonies.

I think there is something else we should do about parliament. Parliament in effect has failed in two ways. First, it has failed drastically because of some modifications we have made in our rules. We have lost control over the government's expenditure of money. We are in no position now to amend that expenditure. Quite often when the day comes that we have to pass the estimates, we pass items representing billions and billions of dollars in one motion without having scrutinized them, simply because the time has elapsed.

Therefore, we should look for a new system which would allow us some way of supervising the expenditures of the government in depth. I suggest that that be done by breaking each session of parliament into a number of sections. In one section we could discuss the expenditures of a set number of departments. We should do that in the House with all members in attendance until that scrutiny is completed. Then we would leave that for a period of time and continue with the other departments. We would be scrutinizing also the budgets for various programs within the departments to see whether or not they are still useful and whether or not they are overloaded with bureaucrats. I am sure there are departments, or branches within departments, or programs under departments, in which a number of bureaucrats are employed.

An illustration of that was given to me recently by my doctor who was treating a scientist in the civil service for a nervous breakdown. He was one of seven people who had been doing specific research in the department for a number of years. When these seven Ph.D.s first started working in that branch of the department there were three secretaries assisting them. Now, in the latest cutback which the government started implementing, four of the scientists had been relieved of their duties but the 300 support staff working with the original seven scientists still remain. Not one of them received notice that they were being laid off. I am only relating this as an example of what MPs scrutinizing the expenditures of a department would come across.

No one who has looked in depth at our committee system would fail to agree that it was a total failure. This is a great way of getting an education from senior civil servants who can tell you anything they want in their own specific fields and you pretty well have to take their word because your expertise does not extend into those fields.

● (1732)

The second period that should be set aside would be for investigation. We should investigate new ideas and new things that perhaps parliament should consider. One of the things we should be looking at is the use of social security numbers. Do we want to have SINs and do we want those numbers to be used for the purposes of unemployment insurance, or do we want them to be used as numbers fed into a computer for financial purposes? Those are the things we should be looking at in depth. Members of parliament represent all the people in this country and should come here as representatives to investigate these things. When a conclusion is arrived at, it will probably bear some relation to the needs of the people and to what the people feel they can support.

The third period of that session would be designated for legislation. When we discuss legislation it should be here in the House in terms of how it affects the various ridings. Each of these periods would fit into the categories mentioned by the hon. member for Cochrane, and would fit his suggestion that there should be more independence in this House and less partisanship.

When we come here we come as representatives of an area. In northern Ontario we have less partisanship than exists in many other areas. We can quite easily get together on many matters that affect northern Ontario because our problems are the same throughout the area and the members are relatively representative of the people there. I am not sure that is true of other areas, but it is true of ours. If there were less partisanship and more attention paid to the ridings and the areas we represent, we would have much better legislation in this country.

The last period would be that period when members of parliament go back home to visit their constituents. It is very easy to get out of touch with the man in the street when you stay in these buildings. It is nice to talk about reducing unemployment insurance benefits by 10 per cent, but when you talk to Bill Smith who has a 10 per cent reduction to his unemployment insurance, he will damned well tell you how it affects him. It means he is 10 per cent short on his hydro bill, 10 per cent short on his rent, and 10 per cent short on his car

payments; he is 10 per cent short on everything, and he will tell you that. He is not going to suggest that over all we will save $1 billion by making these changes. He will tell you exactly how they affect him, and as his representative one should know this. There should be a period when you spend some time at home.

I do not want to go on at any great length, but I think this is a very important subject. In many ways we are not now representing our people. This government is bringing a referendum bill before the House. A lot of members here think we should have referendums on many subjects. If we have referendums we do not need parliament. Parliament is a place where we sit representing our constituents. Hopefully if hon. members have any brains of their own they can make decisions. If they do not make the right decisions they will get tossed out. If they do make the right decisions perhaps they will get re-elected. They should remember they are the representatives of the people they are representing. It is suggested that we should pass this bill on referendums and hold a referendum on this matter and on that matter.

I think it would behoove all members to send the subject matter of this motion to the committee. I am sure the committee would make changes. Every member here would likely have some worth-while proposition to suggest in respect of this bill. When we consider it over a period of time and send it back to the House, then perhaps we will have something that will help solve the problems which have developed here over the last three or four years and which have been highlighted by that crystal ball idea for calling the next general election, if there ever is to be one.

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, when the hon. member for Eglinton (Mr. Parker) spoke a little while ago he suggested that perhaps on this side of the House we were filled with arrogance and this arrogance was transmitted around the House by spores on the wind. I can tell him that there is not only a little wind over here, there is a lot of hot air over there and it seems to me that the arrogance has spread across to that side as well. The hon. member for Eglinton made mention of birds and bird shot. Since coming to this House he made his maiden speech within two days, and has been like a bull in a china shop. I think that if the birds get bird shot it might be appropriate or fair for me to say that the bulls get bull shot.

You will be happy to note, Mr. Speaker, as will my colleague, the hon. member for Cochrane (Mr. Stewart), that 80 per cent of the people in Canada seem to agree there should be a federal election every four years. When they were asked whether they would approve or disapprove of the suggestion that there should be a federal election as a mandatory thing every four years unless a defeat in the House of Commons required an earlier election, 80 per cent nationally approved.

It would seem to me, as expressed by my colleague, the hon. member for Cochrane, and the hon. member for Timiskaming (Mr. Peters), that there are many people in Canada who agree that there should be a federal election every four years. As a matter of fact just a month ago a man by the name of Harry Midgley wrote in the Edmonton *Journal* the following:

> It should be compulsory to have the general election on a prescribed date. And it should be illegal to call a general election before that date, with the single exception that it should be obligatory for a general election to be called if the government of the day is defeated in the House on a vote of confidence.
>
> Indeed, there should be a limitaion even with respect to the latter provision. It should be stipulated that there must be a dissolution and a general election following such a vote of no confidence—unless some other person or party is able to form a government that can command a vote of confidence in this House.
>
> Under the present (not very ancient) system the right to decide when a general election shall be called is almost totally at the personal discretion of the prime minister or premier, subject only to the requirement that he must call the election within the span set by law as the maximum length of the life of a parliament or a legislature.

I submit this puts an enormous amount of power in the hands of any premier or Prime Minister. They already have a great deal of power under the workings of our modern parliamentary systems. Some say that the power to decide when a general election shall be held gives the party in power an unfair advantage over other parties. It enables the party in power to contrive situations, by the timing of legislation and announcements, or by other things like that to work up different issues, in which the atmosphere for electioneering could be especially favourable to the government. What is wrong with that? Why should a government go out and call an election when it knows it is going to be defeated? That just does not make sense. What we would be doing is giving all the advantage to the other side. This would be like saying that any time we wanted to make a decision as the government we should say no, let us not allow that because we really do not want to govern, we want to give that opportunity to the other side. I suggest that is just not a realistic stance.

Having a predictable and fixed date for an election would allow everybody to plan and prepare properly for the election. It would help to reduce the elements of uncertainty which tend to distort the democratic system at election time. It would help to ensure that our system of elections serves the interests of democracy.

Earlier, the hon. member mentioned some of the reasons why we should have fixed terms. There are two main reasons which I would like to dwell on at this time. One reason for advocating a subterm is that it would give individual members of parliament, especially the government backbenchers, a greater say in policy formulation.

● (1742)

With a set term the defeat of a piece of government legislation would not necessarily result in the defeat of the government, as custom would seem to dictate at the present, although that statement must be qualified in particular instances. Thus, a government backbencher would no longer necessarily be confronted with a choice of either voting for a piece of legislation that comes up, although he probably agrees with 90 per cent of the legislation put forth by his government because he has had a chance to discuss it in caucus, in committee, and even with special groups who may present briefs. In such a situation the backbencher would be listened to

and, in short, there would be no free votes. In this kind of situation the government would be compelled to pay much greater attention to the views of this caucus and to ensure that those views were reflected in the legislation, if it were to be assured of passage.

Opposition influence would also increase because, if their arguments for change in legislation were to convince a number of government backbenchers, the legislation would again be in jeopardy. They would have to have very cogent arguments to convince all members in this House that their suggestions were better than those being put forth by the government in power. The government would have to pay some attention to opposition arguments, and the opposition, with a real chance to influence the course of events, would have to take greater pains to make their arguments responsible and convincing. Debate in the House would become more meaningful and less of a ritual.

The second reason for advocating a set term in parliament is very closely related to the one I have just mentioned, the fact that there would be no more free votes, and debates in the House would become more meaningful. Such a situation would mean that a debate was once again a drama. The outcome would no longer always be known in advance. Debate would once again be genuinely worth the attention of the news media.

It was mentioned earlier in the House that the news media is the fourth estate. I believe it was the hon. member for York North (Mr. Danson) who mentioned that over the years the opposition of the House has not been parties on the other side of the House, but that the opposition has been the press gallery, that they are the ones who have carried the arguments to the government, and any changes which have come about were because of the pressure which they have applied. If the opposition were truly interested in not only having a say but in changing the minds of the government, then their arguments should become more meaningful. In other words, news media coverage would serve to focus public attention upon developments in the House.

Just why this change is so important to the democratic process is somewhat difficult to explain, but let me take a stab at it. Parliament serves the purpose of focusing public attention upon matters of concern and of defining and delineating the considerations and the options involved. In so doing, parliament assists the public in coming to intelligent conclusions about the actions of government and helps individual members of the public to determine their own position on questions of import. The better media coverage, the more effective is this wholly desirable process. But beyond that, improved media coverage of improved parliamentary debate would mean a more rapid and more effective focusing of public opinion attention upon an issue, with the consequence that public opinion would more readily affect government actions.

Votes in the House are no longer the important control on the actions of the executive; rather, appeals by the opposition to the electorate are the important control. Even with a set-term parliament, this would remain the case. The only real sanction, the only real control on government action now is the prospect of defeat in the next election. With a majority government and the well established pattern of voting solidly by party—a pattern which a set-term parliament would soften but not end—votes are virtually meaningless and are useless as a means of effecting parliamentary control. Thus, what is important in the functioning of parliament is the quality of the discussion conducted, and that the discussion be focused. What is important in the functioning of parliament is that its discussions be heard by the public, and the news media attention would assure that they were.

When we go out on the hustings every four years, or, as in this case, five years, we wage election campaigns. The election campaigns in Britain, for example, are quite short. If my memory serves me correctly, they are three weeks. Here in Canada election campaigns stretch out as long as ten weeks. I submit that these campaigns are too long and too costly. They cost the Canadian taxpayer because contributions to political parties, which could run as high as $25,000 to $30,000, can be claimed as a tax deduction.

It is true that politicians by and large like to go from door to door talking to the people, like the handshakes at five o'clock in the morning at the plant gates, and like assisting at the candidates' night so they can stand up and spout off in every direction about the ills of the country. I suggest that what they do most of all at that candidates' night is to underscore their own biases, rather than what people on the street really believe, as the hon. member for Timiskaming said. Most people make up their minds within two weeks after the campaign is under way. Some people will vote for party, some for the leader, and some for the individual candidate. If we only had the right combination of what this means in terms of winning elections, probably all members in this House could sit here for as long as they chose.

The people of Canada are much more intelligent than just to accept a handshake and a smile. Notwithstanding the fact that we do have long campaigns, we would better serve our constituents if we were limited to a set period of three or four weeks in which there would be extensive campaigning consolidated in that time, so that in the end the election could be made without a drawn-out theatrical production.

I mentioned earlier the power that prime ministers and premiers have in calling an election. The question of whether it is the prime minister or the cabinet collectively which makes the substantive decision upon the timing of a general election seems to me to be of peripheral importance. The real issue, as I see it, is the extent to which the power to dissolve constitutes a major advantage for the government party vis-à-vis the opposition parties. It has been my intention, not to assert that no advantages accrue from such electoral discretion, but to try to demonstrate that the case of the proponents of the thesis of prime ministerial power in this particular instance is overstated and that it takes insufficient account of the ever-present constraints and limitations, and finally that there is too much based on the precedents of the 1950s and 1960s which have not subsequently proved as typical as was originally assumed.

I do not wish to deny the obvious fact that the government has certain advantages in being able to choose the date of the election. There may be organizational benefits in terms of even the most limited advance warning given to the government party machine which could be significant in a kind of close election because they would have the advantage of having their troops organized.

The effect of the local party organization is to pull out the maximum number of potential supporters who might otherwise have abstained, not to make converts. The greater volatility of the electorate in recent years indicates that the campaign proper may be of more importance in converting voters than had previously been thought. If so, it is likely to make the capacity to determine issues upon which an electorate is fought more important than organizational factors.

● (1752)

Prime ministers have great difficulty in concentrating campaign attention on the issues they themselves wish to emphasize. Media coverage may in practice give the advantage to opposition parties. A point in fact occurred in the last election. When the campaign started, wage and price controls were brought out but this was not the major issue as the campaign went on. Then we saw that as it developed in the campaign it became a very major factor.

I do not want to talk this bill out, Mr. Speaker. I believe we should, in many instances, consider having a fixed election date of four years. I should like to give my support to my colleague, the hon. member for Cochrane.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should not like my colleague from Cochrane to think that I feel the House should not pass his bill or, as we say, that the House should kill his bill. But I understand that this is not the question tonight; we are here to deal with it and no one has suggested that it should be referred to the committee for well-known reasons.

Just the same, I should like to congratulate him on the fine remarks and the good points he has made. I should like to congratulate also the two previous speakers as well as the parliamentary secretary. It is quite unusual to hear a government member develop points which we have brought to the attention of the House on a number of occasions, because I remember that our former leader, Mr. Réal Caouette, had raised this matter both in the House and during past election campaigns. It is even better to find that government members share those views.

Mr. Speaker, I suggest that it is time that Canada, a highly mature country, amended its constitution or, even better, included in its new constitution provisions calling for elections on fixed dates.

It would prevent the prime minister, whoever he is, from playing with the date of the election, from playing with the people's nerves, and often the speculators in the stock exchange from advancing things and making undue profits. Furthermore, it would also prevent the mass media from speculating on all the activities of the prime minister, whether he walked across Wellington Street, or held a press conference or went to see the Governor General. In any event, an election has been announced every season for two years; it is like Ember days in the past when we knew in advance that it would occur four times a year.

I think it is time to rely on the maturity of the Canadian people and to stop playing with Gallup polls, whether they gallop or not, whether they trot or walk, with polls of all kinds which are sometimes without rhyme or reason but which make it possible to abuse the population. And there are people who rely on them.

I think this should be prohibited, and I am very serious about it. Provided an election is decided those polls should be left aside and the population should decide itself who will be reelected and who will form the next parliament. This is how it should work if we really want to have a strong and lasting democracy. I also think that we all agree that whatever government, provided it is honest, should never be defeated on a question or on a bill. It is the best way to leave all hon. members a very personal responsibility. Every member should be responsible for his vote and his position. If at a certain time parliament as a whole is not satisfied with the executive, then it will be possible to introduce a non-confidence motion, and if it is passed by the majority, an election will have to be held.

To my mind, the parliamentary secretary was quite right when he said that this would bring more responsibility and objectivity to our deliberations, while reducing the time spent on procedure. We would thus try to reach our goal as quickly as possible, and the Canadian people would be better served.

As an added bonus, the cost of administration of the House of Commons may also be reduced. At this point, the committee is trying to find means to improve services at lesser costs. I think that would be a good way of reducing administrative costs; there again, we would be serving the Canadian people better.

Mr. Speaker, for all those reasons, I feel that we are definitely right in bringing pressure to bear in order to achieve the objectives of Bill C-212. Now, if we can manage to agree, here, in the House, on this matter, we shall be happy to tell the public that we are responsible people, that we are giving our country a new constitution. That is why, Mr. Speaker, I should like this bill to be passed immediately.

[*English*]

Mr. F. A. Philbrook (Halton): Mr. Speaker, in the short time remaining, about one minute, I should like—

An hon. Member: Sit down.

Some hon. Members: Oh, oh!

An hon. Member: Let it go to committee.

Mr. Philbrook: Mr. Speaker—

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): Order, please. The hour for private members' business having expired, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

● (2002)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-14, to amend the Unemployment Insurance Act, 1971, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration, and motion No. 1 (Mr. Leggatt).

Mr. Paul McCrossan (York-Scarborough): Mr. Speaker, as I was saying, my party feels that people with dependants for income tax purposes should continue to be covered for the two-thirds of earnings for which they are currently insured. Any lower rate will cause hardship. However, we believe that Canadians who do not have dependants have higher proportionate disposable incomes and should be insured for a lower proportion. We feel that 50 per cent of earnings is about the level both to provide adequate protection and not to provide an incentive toward anti-selection. The benefits would be related to need, and the opportunities for abuse of the plan would be dramatically reduced. This would be an intelligent restraint, the restraint of the deft hand of the surgeon.

In its current amendments the government is proposing to penalize all individuals who are unemployed and who repeat without adequate intervening work records in areas of less than 11.5 per cent unemployment. Finally, we know the current Liberal full employment definition for this country. In my opinion this change will almost exclusively affect the legitimately unemployed and may even deter unemployed persons from taking temporary employment to get off claim. Those who control their own unemployment will just work a little longer to ensure that they meet the higher requirements. Those who cannot get work, because the economy is so bad in their areas that work is not available, may be forced onto welfare. We have already heard from three Liberals opposite who also feel that this particular provision will cause hardship in their areas.

If we want to go after abusers, let us go after abusers directly. Let us go after people who quit their jobs without just cause. Let us come down on employers who do not state the real reasons for job termination, but for goodness sake, let us not ride on the backs of those who are legitimately unemployed.

● (2012)

In my opinion, the government should not be penalizing repeaters, it should be giving consideration to two different types of amendments with regard to quitters. It should be significantly lengthening the waiting period for people who quit their jobs, such as from six weeks to 12 weeks. Furthermore, it should consider paying a reduced level of benefits to people who quit. Alternatively, it should set some minimum period of work record before quitters are covered for benefits at all.

In summary, the parliament of this country has two obligations in designing an unemployment insurance plan. It should see that the plan is economically sound, and it should see that the plan is socially just. The government, in my opinion, is not reaching toward either of these objectives. It is trying to defuse a potentially embarrassing political situation by convincing the average voter that somehow it is cracking down on abusers, while the reality of the situation is that the crackdown is far harder on the legitimately unemployed. The crackdown, or so-called crackdown, will probably affect five or six times as many legitimately unemployed as abusers. The so-called crackdown is going to have the maximum impact in the areas of least economic advantage in our country, the Atlantic provinces and Quebec.

If my experience in private industry is any gauge, the abuses are most likely to be taking place in central and western Canada, in the middle class and upper middle class income families where the opportunities to cheat for secondary wage earners are largest.

A recent ex-deputy minister of finance has described our current unemployment insurance system as the major impediment to our economic recovery. The current system is causing a breakdown of morals because some people really are better off quitting than working, and they are taking advantage of it. It is causing a tremendous loss of productivity because of the increased rate of job turnover. It is causing large financial deficits, which are a hemorrhage upon the future health of our country. The plan is crying out for revision, crying out for intelligent revision, not the hamhanded, misguided efforts that we see in the government's proposals.

With a properly redesigned unemployment insurance system, we could use the savings to create the jobs Canadians want, to eliminate the unconscionable regional disparities this government has developed. We need to use our wits to pay people to work, rather than not to work.

The Minister of Employment and Immigration (Mr. Cullen) should be ashamed to present these proposals which ride on

the backs of the unemployed that his government has created. His caucus colleagues should be ashamed to see him present the proposals to parliament. However, given the demonstrated level of economic incompetence of this government and the demonstrated chutzpah of the Prime Minister (Mr. Trudeau), it may be that this government has no shame. It may be this government really believes that the only thing wrong with this economy is that some people are choosing not to work.

What is not working in this country is the current government. We in the opposition cannot allow this injustice to be perpetrated on those areas of the country with the highest rates of unemployment, without a fight. We have an obligation to try to get this ill-conceived design amended before it can be inflicted upon the Canadian people. The minister said, when he moved to tighten the unemployment insurance program, he well expected criticism. He also said that informed criticism, which is sensitive to the views of Canadians, is the lifeblood of parliament, and he welcomed this sort of constructive criticism. He also asked the House to listen to the Canadian people who are angry at the abuse of the current plan. The Canadian people, Mr. Speaker, will be truly angry if we tinker with this plan again and do not cut the abuse.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, the discussion on the motion now before us concerning Bill C-14 is further evidence how difficult it is to co-ordinate a consistent and efficient action when the basic problem is overlooked. So we are now discussing a piece of legislation and related amendments the purpose of which is to reduce the expenditures related to unemployment insurance benefits. If our society had developed normally, that is if legislators had been able to introduce bills designed to actually enable each citizen to earn a decent living and enjoy a minimum of well-being and even of comfort, we would not have to deal with cuts in unemployment insurance benefits. But since we have not yet managed to find means to enable every worker, every unskilled labourer, every able-bodied citizen in this country to work and thus earn a decent living proudly and with dignity, Mr. Speaker, it seems we shall always be discussing false problems. I can easily appreciate the difficulties facing the Minister of Employment and Immigration (Mr. Cullen), but I am not prepared to accept his method to curb alleged abuses with respect to unemployment insurance. Mr. Speaker, it is very important in this House that at least one member should tackle the root of the problems. What we should be discussing now is the reasons why a country as vast as Canada, endowed with so many resources, where labour should be at a premium has to contend with such a high unemployment rate, and our inability to create jobs for all willing blue and white collar workers. This is outrageous. One of these days, we shall have to deal squarely with this issue and find ways and means to put an end to the scourge of unemployment, once for all.

Mr. Speaker, as we discuss a cutback in unemployment benefits and the prevention of abuse by unemployment insurance recipients we realize that this government continues to follow a financial and economic course which is alien to the financial interests of our country and indirectly, or even directly the Canadian workers' interests. Moreover, when the government unashamedly admits to the need for massive imports of certain products and consumer goods that we could easily produce ourselves, Mr. Speaker, I suggest that unless we can solve this basic problem, we shall always go around in a vicious circle of increasing unemployment with no solution in sight. We are being unfair to the honest worker who, has to suffer not only the loss of his job, but the source of income he used to rely on in these circumstances. This is a point we should always bear in mind, and although all over the world modern society is now facing the same problems, we should not let our country and our parliament use this as an excuse to evade the problems. Instead we should invest more time searching for solutions. Among those cuts announced a few months ago, the effects of which have been experienced for some time and will continue to be felt in the days and weeks ahead, I note some rather painful examples in my constituency. For example, in the small town of Parent, a remote village in the northern part of the riding of Champlain where a meteorological station was manned by five employees, under its arbitrary reductions, the government has laid off those people. We wonder to what extent savings are made when figures prove easily that not only will there be no savings but that it is meant to ridicule the public. However, if the disastrous condition of the unemployed is worsened by the reduction of the benefits to which they are entitled, Mr. Speaker, we will soon find ourselves in a dilemma which can only increase our social problems and the economic difficulties which have literally overwhelmed us for some years. Therefore, the government should at least accept to come up with a close study and investigation of the situation so that—by basing its reflection on fundamental principles—it will be in a position to radically change the purpose of our legislation and that instead of guaranteeing a right to unemployment to the people of Canada, it guarantees them a right to work, a right to earn a minimum decent income. Mr. Speaker, we would have gone a long way toward that goal and we would be interested in collaborating very closely to develop a new formula that would be most appropriate for all workers of this country. But not only do we not study the basic principles on which to rely but on the contrary palliatives, emergency remedies, short-term solutions are being resorted to, in order to resolve major problems which will still be there next year or the year after in all their magnitude. That is what I have noticed for years, Mr. Speaker, and it is deplorable to see that as representatives having been democratically elected by the citizens of that country we are unable to find the appropriate solutions. And sometimes I wonder where that is going to lead us to, how long we are going to go on like this and let the situation deteriorate to a point where within a few generations we will be faced with a real catastrophe.

● (2022)

Citizens are entitled to a number of rights and certainly to that of earning an income through their work. Mr. Speaker, instead of giving unemployment insurance to individuals, we should see that they are given the possibility to produce either goods or services; and to suggest that in a country like ours it is impossible to achieve such a goal, that there is not something to be done, that there is not a need for a service however little it may be, Mr. Speaker, that is simply denying evident facts.

We do not insist enough on this basic principle, the individual's right to work and to earn a decent living. Even if there was no work available we agree that all citizens are entitled to an income. Even if we claimed to save a few millions by passing these amendments to the Unemployment Insurance Act, Mr. Speaker, we would miscalculate or shift the real problem because should we be asking ourselves whether the benefits should be reduced or not? The basic question we should ask ourselves is this: what are the needs of a laid-off worker who must survive just the same. There is no need to ask ourselves if he is entitled to the benefits or not. Obviously, he is since he must stay alive and meet his needs and those of his family if he has dependants. This is why to tamper with the insurance benefits, Mr. Speaker, is like tampering with the individual's needs, and that is not good enough.

How can it be that one, two or three years ago it was considered that these needs were at a specific level and that today we decide that they are no longer the same? That is ludicrous, Mr. Speaker. That is why this bill falls far short even though it may be inspired by good intentions, namely to end or at least reduce abuses, to give people incentive to work, despite the fact that this administration cannot find work. Instead of taking indirect and unproductive action to force peoples to find work, why not take the necessary action to encourage job creation? Apparently, this will be done afterwards. Why not do it beforehand? Indeed, if the government could find a way to create thousands of jobs in the country, then, Mr. Speaker, we would not have to talk of unemployment because everybody would be working. That would be a positive step. That would show respect for human pride and dignity. That would show consideration for the individual. But the government is always going backwards. It is convinced that the unemployment rate will at best remain the same in the coming year, and I am sure the minister will agree and admit that it is the government's foregone conclusion that the unemployment rate will not go down.

Therefore how can one suggest that this bill will encourage idle workers to seek employment when the minister is certain there is no possibility of creating more jobs? That is unadulterated nonsense. And that is why we are studying false problems and we have lost sight of the real ones. What we should be doing here in the House is discussing how we could possibly create jobs. And to show you how easily this could be done, I can indicate a few ways to go about it. How to create jobs? The Minister of Industry, Trade and Commerce (Mr. Horner), the Minister of Finance (Mr. Chrétien), the whole government simply have to decide that not a single pair of shoes will be imported into this country as long as Canadian manufacturers have not sold all their inventory and as long as they do not have enough orders to supply every Canadian with shoes. That would solve a problem. Recently the minister responsible for the Canadian Dairy Commission told the Canadian Federation of Industrial Milk Producers that before long there will be massive imports of dairy products like butter and cheese because it costs less to produce butter in New Zealand or Australia. The least I can say is that it is inconsistent, illogical and nonsensical. How can we solve our unemployment problems if we continue to have only one kind of balance in the government, namely asking if we can produce at a cheaper price what can be produced elsewhere, and if it is produced at a cheaper price elsewhere, then we shut down and import. As long as we have that policy it is clear that unemployment will always be going up. Mr. Speaker, it is unacceptable that we should import footwear, shirts, clothes or anything like that when we have workers ready to produce as much as all Canadians will ever need.

It is unacceptable that we should import butter. It is also unacceptable that we should import anything this country can produce and anything it can potentially do. And then I say Canada would be short of manpower. Our country is so big and the potential so great that I am sure 24 million Canadians would not be enough to meet the demand if we just implemented policies to produce at home what we need. Those are policies that would solve the unemployment problem but when we know that the government will continue to set quotas to import products for domestic consumption, will continue to justify, to urge farmers to produce less milk on the pretence that we will import butter because it costs less abroad, as long as there will be imbeciles telling us things which look mathematically true but which do not make any sense in practice, well, Mr. Speaker, we will always continue to be a relatively poor people amid extraordinary abundance.

This is why I denounce the harshness of those changes which cause hardships to the individual who already faces the problem of having lost his job. If anyone should be left alone it is him. He is not to blame. During the 40 hours he works every week he does not have time to think about the administrative measures that should be applied to deal with those problems.

Mr. Speaker, that is our responsibility. This is why I say that in light of the motion before us, and I conclude with these words, it is obvious that until we solve basic problems we should not penalize unemployment insurance recipients, and consequently I am entirely against this bill and in favour of the motion before us.

• (2032)

[*English*]

Mr. Jake Epp (Provencher): Mr. Speaker, I intend to present to the House the views of the official opposition as they have been outlined by speakers from this side of the House. The minister served notice today that he would be moving a time allocation motion tomorrow. It therefore becomes imperative, considering the number of amendments on the order paper, that Your Honour give us some latitude with respect to dealing with the motions which are on the order paper and not restrict our comments specifically to the first one.

As members who came here in 1972, and those who were here previously in 1971, know, no topic has created greater controversy than the unemployment insurance bill of 1971 and the amendments thereto. It seems that every year or so amendments to the Unemployment Insurance Act give occasion to the Standing Committee on Labour, Manpower and Immigration to study unemployment insurance. Those who have been regular members of that committee, as well as departmental officials, have sat through interminable hours looking at legislation, the unemployment insurance system—

Mr. Cullen: And each other.

Mr. Epp: —and each other, as the minister says, and hopefully some light has been shed on the situation which now confronts us. Despite the differing opinions which exist with regard to unemployment insurance, it must be said that on balance committee members were sincere in the views they held and expressed. I know that the committee experience was advantageous to the process, at least to the discussion of Bill C-14. I am not always sure about that when it comes to the examination of estimates, but I think that has been the case with Bill C-14.

Members generally would have to say that opinions on the unemployment insurance program fall into two categories. First, some members of parliament and some members of the public generally look upon the Unemployment Insurance Commission as having a responsibility to administer an unemployment insurance plan, and to them the emphasis is on insurance. Others look at the Unemployment Insurance Commission—especially since the 1971 act—and say that insurance principles cannot apply to the same degree as transfer payments or individual transfer payments.

Some people would even go so far as to say that unemployment insurance is a major part of a public move toward a guaranteed annual income. Whatever the case, I think what is imperative to most Candians is that unemployment insurance policy should do a number of things. First, obviously it should insure people against unemployment during periods of time between jobs. It should insure people who are legitimately unemployed and who are looking for work but cannot find it. I do not think there is too much argument about that, regardless of the views held as to what the program should do in addition.

Second, I think there is a widespread feeling that the program is being abused. There is the attitude that there is widespread abuse, and this is one reason why people feel that unemployment insurance policy must be seriously revamped. All of us hear about abuse taking place.

Third, I think it is generally agreed that the total amount of spending on the unemployment insurance program is too high. It is now running in excess of $4 billion. That is a very substantial part of Canada's total national expenditures.

I would like to add a fourth dimension which I believe unemployment insurance policy should reflect. Emphasis should be placed on using funds which are now used for unemployment insurance payments for skill creation and in positive, productive undertakings such as job creation. Those funds should not be used just for pay-outs. I know there is controversy about that, but if we are ever going to get ourselves out of the chronic unemployment we now experience, we will have to spend more time on and give more consideration to using some of the funds which are now expended on unemployment insurance benefits for job creation or employment incentives.

My comments are based primarily on those thoughts and on how we can make employment an incentive rather than looking at the disincentives which are inherent in our unemployment insurance policy.

The minister proposes to reduce the amount of insured benefits from two-thirds to 60 per cent, approximately a 10 per cent reduction. By his own calculations the minister feels that this will result in a saving of approximately $910 million. In the committee we proposed that the bill be amended.

Mr. Benjamin: Buy him a shovel.

Mr. Nystrom: Stick to the amendment.

Mr. Epp: Members of the NDP are particularly jumpy tonight. I do not know why.

Mr. Nowlan: They all get jumpy at Christmas time because they are a bunch of hypocrites.

Mr. Epp: I suggest that they listen. If they did, even I have hope that they might learn something.

Mr. Nowlan: I don't.

Mr. Epp: There are various figures dealing with heads of families who have dependants. I think a figure of 14 per cent or 15 per cent is generally accepted as the percentage of heads of families who have dependent children and who draw unemployment insurance benefits, but if we expand that definition to include not just children but also dependent spouses and dependent parents, the figure is about 25 per cent or 26 per cent. For my purposes tonight I will use the figure of approximately 25 per cent. Approximately 25 per cent of unemployment insurance benefit recipients are persons who have obligations, as family heads, for dependants. I think it stands to reason that the blame for abuse and high costs does not lie

with this group and that a justifiable case can be made for a benefit structure which would allow this group to receive 66 per cent or two-thirds of insured earnings to maintain family incomes. That is the way the act now stands. This group, as well as everybody else, gets two-thirds.

Mr. Peters: I am glad you learned that.

Mr. Epp: The hon. member says he is glad I have learned that. We proposed that in committee. There were approximately 35 meetings. I do not know where the hon. member was. I know he was there some of the time, but if he thinks this is new this evening and this is new to me, he is again badly mistaken, but we take that for granted on this side.

● (2042)

It has been our purpose in the amendment that this group be protected. As to the other 75 per cent, those with minimum attachments to the labour force, or seasonal workers who do not have responsibilities for dependants, it has been our proposal that their insured benefits be reduced to 50 per cent. If this plan were adopted, I think we would fulfil many of the objectives that I expressed already at the beginning of my remarks, namely, first, that the savings under this proposal, along with increased penalties for those who quit voluntarily, be increased to a higher extent than proposed in Bill C-14. Second, it would maintain the income benefits to that group of people who need it most, namely, those with dependants, and third, it would bring more into line the benefits to those who either have another income to fall back on or who do not have responsibilities to dependants as does the first group.

If one analyses that proposal, one finds it follows the criteria of reducing abuse and of bringing in restraint and maintaining income for those who need it most. The minister has rejected that proposal for a number of reasons. This proposal does not originate with me and I am not trying to take credit for it. Credit for it is owed to the hon. member who preceded me, and this House is indebted to him. He is a new member, and the manner in which he has conducted himself in committee and here today shows that he has a very well founded understanding of the Unemployment Insurance Act and its administration, in fact well beyond that, I would suggest, of almost any member in the House of Commons.

The proposal was made by our party and opposed by the minister and supporters of the government. I suggest to supporters of the government that they look at the proposal very carefully, and I suggest also to members from Atlantic Canada where unemployment is highest that they look seriously at whether the proposal would not meet the objectives which, as they have already stated, they want to meet, and whether it would not preserve the income of their constituents who are faced with chronic unemployment, because the proposal in Bill C-14 will not do that to the same degree that this proposal will.

The minister also said that this proposal would be difficult administratively. This difficulty might be due simply to the fact that it is being brought in now in the last hours of this year and because the government wants to bring in this program as of January, 1979, when it simply does not have enough time to bring in the administrative follow-up as such. That could be a valid argument, but the fact is, and I had it on fairly good evidence, that the minister had this proposal from his officials, or a derivative thereof, that it was examined by the department and was considered to have validity, and then it was rejected because, for instance, it would be more unfair toward women in the labour force. That has been one argument that has been placed in opposition to this proposal.

If one would take a look at the amendment we have proposed, one would find that it is not discriminatory in that sense, that we have allowed the option either for the male or the female head of a given household to determine who will claim the dependants, and it is within the family that it can be decided. The same thing happens when one files income tax. It does not follow automatically that the male spouse claims the children as dependants for income tax purposes; it could just as well be the mother. This proposal does the same thing. So I suggest that one of the major arguments that has been used against the proposal has been reduced to some degree. I admit, and I think every member of the House would admit, that it does not reduce it totally. But the fact of the matter is that you cannot reduce the adverse affects of this program as you cut back unemployment insurance for any group because, as you cut back the program, some groups will be adversely affected in the sense of income maintenance.

This proposal was also endorsed by the provinces. The Prime Minister (Mr. Trudeau), in his speech yesterday evening in Toronto as well as at other times, has argued that we are the lackeys of the provinces. I do not accept that charge. I would rather look at the provinces as being partners in Confederation than as being in confrontation with the central government. What is interesting is that when the provinces came before the committee we had provinces with a Conservative government as well as provinces with a Liberal government, an NDP government or, in the case of British Columbia, a Social Credit government, which endorsed the principles as outlined by this party. In fact, I must say that my own province was the one province that had the greatest reservations about the proposal. What it was interested in was whether our proposal would move further away from the insurance principles, a process which they did not welcome. So discussions have been undertaken in an effort to explain the proposal.

This proposal would have brought in savings of approximately $1 billion for the first full year that this program would be in effect. This would have been an increased saving in the order of $100 million more than the government has proposed, and yet it was acceptable to the provinces. The provinces were saying: yes, we are in favour of restraint, yes, we must cut back, but let us cut back in the areas of abuse. This is something the government has decided not to do but rather to go across the board and reduce the benefits for everyone. I suggest, if opponents of our proposal say that it is unfair to certain groups, that a broad approach across the whole ambit of those who receive benefits is more unfair, because in no way

does it reflect the financial necessity or financial obligations these people have.

As I said, it was recommended by us, by the provinces, and by officials in the minister's own department. In fact, even in speaking to organizations which are supporting the minister's bill, we found support for our proposal. I suggest that what they are supporting are the principles outlined earlier in my remarks rather than the bill specifically. They will endorse the bill if it meets those objectives, but at no time did they say they were not willing to accept a different proposal which would be more equitable.

I will just give one example, if I might, to prove that point, that is, the Canadian Construction Association. While supporting the proposal they said very clearly that if the proposal could be worked in a more equitable way, such as we proposed, that would be favourable. In fact in some conversations members of the Canadian Construction Association even suggested that the bill was so wrong it should be withdrawn, and following the election a government with a new mandate should look at the entire program and bring unemployment insurance more in line with insurance principles.

• (2052)

The fact of the matter is that our proposal meets the criteria the minister has placed as the objectives of Bill C-14. While I believe the proposal has merit, we want to speak about unemployment insurance and other types of insurance, because experience rating is an established principle used by insurance companies. It involves a system whereby a higher premium is charged for equal coverage, or the same premium is charged but very frequently lower coverage is received by those people in lower categories where the possibility of receiving benefits is higher. I suggest the group we have identified, namely, those without dependants, have a higher risk. They are more likely to be receiving benefits than the 25 per cent group with dependants simply because it does not make economic sense for them to go on unemployment insurance and lose the salaries they might be able to earn. The other factor is—

Mr. Deputy Speaker: Order, please. I must interrupt the hon. member as his time has expired.

An hon. Member: Continue.

Mr. Deputy Speaker: Is there consent that the hon. member should conclude his remarks?

Some hon. Members: No.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I listened with considerable interest to my colleague, the hon. member for Provencher (Mr. Epp), deal with one specific aspect of the bill, an aspect about which this party as well has great concern, but perhaps from a different perspective. It has been difficult to try to figure out where my colleagues to the right in the Conservative party are in respect of this bill.

An hon. Member: They are all over.

Mr. Leggatt: On the road to Damascus I suspect there has been a sudden conversion over there. We have listened to this debate quite carefully. I see my friend and colleague in the front benches, the hon. member for St. John's East (Mr. McGrath), is delighted and happy, and I suspect that somewhere down the line he has won a minor victory. I have this feeling somehow that the hon. member for St. John's East has brought that Tory party kicking and screaming into the nineteenth century. I am absolutely delighted, as are other colleagues of my party, to see this change on the part of Tory members, particularly those who come from the British Columbia area and the Toronto area who have been until now in the eighteenth century in respect of this bill. I think it is to the great credit of that great Conservative Party of Canada that some of its hon. members still listen from time to time to their more progressive colleagues.

An hon. Member: And then there is Crosbie.

Mr. Leggatt: Yes, there are wonderful blue Tories and wonderful red Tories, and there are a lot of suppositories from time to time.

Some hon. Members: Oh, oh!

An hon. Member: It must be a great party.

Mr. Leggatt: I am hopeful that there will not be a great rush to the medical clinics in Ottawa because there are a lot of guys who have been trying to straddle this issue, and I suspect there could be a lot of hernias in the Conservative party before this debate is over.

Some hon. Members: Oh, oh!

Mr. Leggatt: In any event, we certainly welcome them to the cause. We welcome their participation in the debate tonight because we think this has been a remarkable progression. I hate to go back into the record, but I see my colleague, the hon. member for Vancouver Quadra (Mr. Clarke). He has said some rather remarkable things about this bill and I will deal with some of them later.

I would like to deal first of all with the proposal set forth by the hon. member for Provencher. He finds it is unacceptable to cut back to merely 60 per cent under this bill. He says we have not cut back enough, we have to cut back to 50 per cent, particularly for women who are on unemployment insurance. I noticed he did not use the word "women", but if you look at his figures and statistics you will see there is no question but that he is referring in his speech to women. Let us not fool around and complicate this with that stuff about who is dependent and who is not. He says we have to cut that 66⅔ benefit back to 50 per cent for women, and his reason is that when there are two earners in the family that is just too much. After all, the poor often get away with so much in this country and we have to cut these benefits back. He says they have been ungrateful, and they even vote NDP or Liberal on rare occasions, when they get a little sense.

The facts are that under our system we have encouraged women to go to work, and we have encouraged people to purchase homes with high mortgage rates that cannot be supported without two incomes in a family. When you try to distinguish between the male earner and the female earner you are doing a disservice to the total society, because we have in fact said under this system "Get out and buy your house and contribute to the economy, keep the builders going, get your $50,000 mortgage and make it even higher. This is Never Never Land, fellow, and you will always be able to pay it off. Don't worry about the size of that mortgage."

I am glad I have the attention of the minister. There are rare occasions when he listens in this House, and I am pleased to see him listening this evening.

An hon. Member: That is not true and you know it.

Mr. Leggatt: We have encouraged families right across this country to commit themselves to amounts of money they can ill afford to pay without the backing of this unemployment insurance scheme. What is happening? The fact is that the lord who gaveth unemployment insurance is the lord who now taketh that unemployment insurance away.

Some suggest that there is no contribution to the economy through unemployment insurance. The effect of reducing unemployment insurance payments, particularly to women, is to restrain this economy even more than it is, now. My friend, the hon. member for Provencher, talks about the $4 billion, this terrible deficit. We could put that $4 billion back into the economy and create another $1 billion probably in tax revenue. A government that thinks you can restrain this economy into prosperity is a government with the same kind of Milton Freidman philosophy that the governments in the west are starting to buy and learn by experience is not good because conditions get worse and worse and worse.

An hon. Member: Like Sterling Lyon.

Mr. Leggatt: Sterling Lyon is a classic example of one who accepts that kind of idea; what Tommy Douglas used to call the "trickle down theory." If you put enough in at the top for the big guys there will be enough so that some will trickle down to the fellow at the bottom and he will have a tiny bit of purchasing power to keep the economy going. It just does not work that way. You have to put that purchasing power in at the bottom of the economic scale.

When you talk about this legislation you have to talk about it in terms of its impact on the economy. What is the impact this legislation before us will have on the economy? We are in a society which has chronic unemployment and it is going to get worse on the simple basis that the private sector is in the business of putting people out of work. It has to be in that business in order to compete on a world scale. The private sector has to be technologically effective, and as long as we say, as my Conservative friends certainly do, that we should leave this problem to the private sector and it will solve it, the deeper in the mire we are going to get.

The principle behind the changes in this bill relates to that kind of Freidman philosophy of getting out of transfer payments and reducing the capacity of people to buy goods that we can produce in our society.

• (2102)

I just toured, in my riding, one of the largest lumber mills in the world, Fraser Mills. A very progressive firm called Crown Zellerbach is rebuilding that entire mill at a cost of $56 million. I asked them how many jobs they thought they would create. They told me that they would be reducing the level of employment by 200 people, that at one time there were 3,000 people working in that mill, but now machinery is replacing some of them. We cannot continue to follow the silly logic in this House that if we let the private sector alone it will create employment. They are in the business of creating unemployment, and it is only natural. I do not blame the private sector, because it is logical.

When we abandon the public sector to create employment, as this government continues to do, and as my Conservative friends would do, it merely increases the problem. Then everybody sits here and wonders how it happened.

It is interesting to look at the reasons which brought the minister to his conclusion that there was too much abuse in the unemployment insurance program and that they had to cut back. A questionnaire was circulated. The vast majority of the people who were asked the question came to the conclusion that there was substantial abuse of the unemployment insurance program. Many people in this House have said that they have heard of some abuse. The problem is that the government has asked the wrong question. The question which should have been asked was, "Do you believe there is abuse in unemployment insurance, by income tax payers and by corporations?" For example, "Do you believe that Shell Oil pays its fair share of the taxes?" If the government had asked those questions it would have received "yes" answers to all of them, and out of all those yes answers it would have started to deal with this particular problem.

I agree with my friends in the Conservative party that we cannot continue to live with giant deficits and that there has to be an end. The only way to deal with it is to tax the people who are capable of reducing the deficit. However, the government seems to be afraid to tax those people, and my Conservative friends are all for deducting mortgage interest to give a tremendous tax boon to home-owners in Canada. But they will not tax that house when it is sold. They feel that it would be too unpopular. It would be more honest if they would talk about an interest deduction and capital gains tax. Then I would say that there is some fairness in their proposal, that somewhere down the road there will be new revenues coming in to handle this deficit. However, my colleagues in the Conservative party are straddling the fence and getting hernias trying to figure it all out.

Mr. Clarke: At least we didn't get impaled.

Mr. Leggatt: Hang on, I think that you just might. I am glad the hon. member for Vancouver Quadra said that he did not get a hernia. I would like to point out to hon. members what the hon. member for Vancouver Quadra said in his speech, as resported at page 991 of *Hansard*, November 9, 1978:

> Another thing which the minister did not do was attack the basic problem. In the abuses and overspending of the unemployment insurance account, the basic problem is payments made to people who quit their jobs because they would rather go on unemployment insurance—

That does not sound very much like the hon. member for St. John's East. He goes on:

> The reduction of the payment rate to 60 per cent from two-thirds has not changed. It has the same effective date of January 1. But the government seems to have overlooked in that reduction that for some people two-thirds of the wage is closer to a necessity, and 60 per cent to some at the other end of the scale is still more than adequate for an amount to be paid for not working.

That, Mr. Speaker, is the real Tory philosophy, and if they have the courage of their convictions they will vote with the government on this bill, in accordance with that well expressed, right wing, Milton Friedman, William F. Buckley philosophy.

At another point in his speech the hon. member for Vancouver Quadra says:

> Given the climate of restraint, Canadians were looking forward to the minister's statement on September 1; people were probably quite pleased to think the government was moving to cut down the unemployment insurance deficit—

> On the same day as the minister made his statement I made a response for this party in which I noted that in our view the measures proposed by the minister were a step in the right direction.

I suspect that my colleague from Vancouver Quadra did not think that they had gone far enough. I will wait and see how he votes on the bill and how the rest of the Conservative party votes on the bill. I suspect that their heart is not quite in this one. I can see a few members whom I would put in the red Tory category, who have fought and won a good fight, and they are happy and smiling tonight. I am pleased to see that.

This particular subject is treated as though it were impossible to provide full employment. Even a country as capitalistic as the United States has had the courage to propose full employment legislation. It was proposed by the late Senator Humphrey, and it still sits before Congress. Nevertheless, there is some hope and a realization there that the public sector must be used to create employment. Where is the bill before this House which suggests we need full employment? Where is the courage of the government which says we are willing to use the fiscal tools in order to guarantee employment? One thing we all know in this House is that a man who comes to pick up his unemployment cheque should not get it, instead he should get a job. However, how can this man get a job when there are 17 other people looking for the same job?

This government simply does not have the will to sit down and plan this economy for full employment. The problems in this House which spin off into our criminal justice legislation and the great social problems of this country are directly related because a significant section of the population is told, "We don't want you. We don't have a job for you. We have no use for you, so forget it. Here is a hand-out." That hand-out will take the form of welfare or unemployment insurance.

There has been so much talk about abuses of the unemployment insurance program. The way to stop that would be for the government simply to say that, "you are guaranteed a job." There is much work to do in this country. There are literally hundreds of thousands of things that need to be done and which the private sector cannot do because it is not geared up to handle the job, or it is not profitable for it. The consumer spin-off from such a program would begin to reduce the deficit everybody talks about, because it generates extra revenue, which in turn has an impact on the economy.

I can understand the government feeling that it is in a corner. I can understand it saying, "We have borrowed the last buck and we don't want to borrow any more from the moneylenders in New York." This policy, however, will only further increase that deficit. It cannot attack that deficit with the Friedman restraint policy. Revenues must be generated within society to pay that tax and, most importantly, it must be done by taxing those who are capable of paying it.

I am sure we have all received letters in the last few days from small businessmen who are upset because of that change in the budget which tells them that they no longer have the tax loophole where they could incorporate as a small company. I say that those people should pay the same rate of tax as everybody else in this country. That measure was designed for small entrepreneurial businesses, not for professional people such as doctors or lawyers. People are constantly telling us, particularly middle class people, that others do not want to work. They say, "Look at the farms. There are all kinds of jobs out there. They could pick corn in the summer. What do they mean saying there are no jobs?"

• (2112)

I have a solution, Mr. Speaker. We need the doctor-lawyer volunteer farm brigade. Instead of flying to Hawaii and complaining about the loafers in Canada no longer doing a job every summer, let us take those doctors and lawyers, and members of parliament, to pick the fruit one summer. It would do us all good. Those doctors and lawyers are the ones who get heart conditions and are in terrible shape. We should get them all together and say, "Do not go to Florida or Hawaii. Let us all go out and bring in the produce of this country." Then we would not blame the poor farm worker for not wanting his miserable little minimum wage or his few cents per pound on the peas, carrots and strawberries. It would make a lot of farmers happy because they would love to see doctors, lawyers, MPs and everybody else get their hands a little dirty and have some fun in the sun. Instead of having them griping we could put them to work on a volunteer basis. I think this is a suggestion that needs very serious consideration, Mr. Speaker.

An hon. Member: Check it out with CUPE.

Mr. Leggatt: My hon. friend says check it out with CUPE. I have talked to CUPE about this suggestion, Mr. Speaker, and

CUPE is not happy with it in some areas. I do not care whether CUPE is happy or unhappy with it.

Some hon. Members: Oh, oh!

Mr. Leggatt: I happen to think that in a full employment economy and full employment society everybody works, including CUPE.

Mr. Crosbie: Now you are in the "soupie".

An hon. Member: What about the CLC?

Mr. Leggatt: Mr. Speaker, I know my friends in that very effective and active union CUPE, will understand that those were somewhat facetious remarks. The members of CUPE are second to none, I think, in terms of their own working capacity in this country.

Let us go back to the position of the provinces which my colleague, the hon. member for Provencher, raised in his initial remarks, which were to the effect that there has been provincial opposition to these changes and that it is merited.

The province of British Columbia estimates that from $35 to $40 million will be spent in addition to the present welfare costs when these changes to the Unemployment Insurance Act go through. What is happening, in fact, is that we are not tightening up on unemployment insurance; we are just taking people off one form of social insurance and placing them on another form of social insurance. I see the parliamentary secretary shaking his head, and I would be very pleased if he were to rise in his place and correct me.

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

Mr. Epp: Mr. Speaker, would the hon. member for New Westminster (Mr. Leggatt) permit a question?

Mr. Leggatt: Yes.

The Acting Speaker (Mr. Ethier): Order, please. It would need the unanimous consent of the House since the hon. member for New Westminster has exhausted his time. Is it agreed?

Some hon. Members: Agreed.

An hon. Member: No.

The Acting Speaker (Mr. Ethier): The hon. member for Provencher.

Mr. Epp: Thank you, Mr. Speaker. I shall be brief. I should like to ask the hon. member for New Westminster—

Mr. Landers: Mr. Speaker, on a point of order, there was not unanimous consent.

[Mr. Leggatt.]

The Acting Speaker (Mr. Ethier): Order, please. There was not unanimous consent. The hon. member for St. John's West (Mr. Crosbie).

Mr. John C. Crosbie (St. John's West): Mr. Speaker, it is a very unfortunate time to speak in the House tonight because my brains have been scrambled—

An hon. Member: Again?

Mr. Crosbie: —by the unalterable trash we have just listened to from the member for New Westminster (Mr. Leggatt).

These gentlemen to my left are experts in dividing up what somebody else creates. If we had ever heard of them creating something, expanding our gross national product, creating some more wealth for the people of Canada to enjoy, I would be the first to congratulate them. They sit on our left and all we hear are motions under Standing Order 43, and questions, and "increase this", "expand that", "pay more here", "pay more there", but never a word about how the people of Canada are going to meet this—the taxpayers of Canada, the people out there working, the people who are creating wealth.

Mr. Nystrom: Compare Newfoundland to Saskatchewan.

Mr. Crosbie: The crowd to my left reminds me of Ernest Hemingway's book, "The Sun also Rises", only in their case the dough never rises. There is never any expansion in the gross national product with this crowd. They just want to divide up what the rest of us have created.

Mr. Nystrom: Look at Saskatchewan.

Mr. Crosbie: Did Saskatchewan originate the potash mines? No. They nationalized them and took them over from somebody else.

Some hon. Members: Hear, hear!

Mr. Crosbie: I do not want to be too severe with them tonight, Mr. Speaker, because they are a forlorn group of gypsies. Anyone who looks at them impartially tonight will see that they are a small scattered remnant that, after the next election, will not even be a rim. They have had it. They are the party of nicely decent perceptions. They are the only ones who have those nice, decent perceptions. They are the only ones whose hearts bleed when anybody is unfortunate, that little group to my left. They are squawking and quawking and croaking and quacking away while the rest of us cruel, heartless beasts, go on running the country without them. We are going to go on without them for the next hundred years.

I want to refer to something that the Minister of Employment and Immigration (Mr. Cullen) said when he opened the debate in this House on November 9. I refer to *Hansard* for November 9. The minister made a savage attack on the gentleman who has just been appointed as chairman of Air Canada. He made a savage attack on the government's proposals and records since 1971, because this whole trouble started in 1971, led by the Hon. Bryce Mackasey who at that

time was leading the government. Amendments were made and the new Unemployment Insurance Act was brought in which contained the seeds of its own extravagance. For the last eight years the government has been backing away from that—backpeddling. All this seems years and years ago as this dying, decrepit government creeps warily on its way toward the next election.

As reported at page 983 of *Hansard* for November 9, the minister said:

> The government has decided, as one of the major features of its revision of priorities, to recommend changes to the unemployment insurance program—

You might think this group opposite was going to change something somebody else brought in, but no, they are recommending changes to the unemployment insurance program that they brought in themselves eight years ago.

The minister continued:

> —coupled with a significant redirection of its employment strategy.

Surely if that is what the minister is doing, it is contrary to what he and his predecessors had been doing since 1971.

He went on to say there were twofold changes and outlined them as follows:

> First, we want to reduce some of the disincentives to work which are present in the program—

Mr. Speaker, if there are disincentives to work in the program, they must have been introduced by the government opposite in 1971.

He also said:

> Second, we want to encourage workers to establish more stable work patterns and develop longer attachments to the active work force, thereby reducing their dependency on unemployment insurance.

In other words, the government's legislation for the last seven years encouraged workers not to establish stable work patterns or long attachments to the active work force, and caused them to become dependent on unemployment insurance. That is the reason the minister gave for introducing these changes.

The government should resign, having admitted these fantastic mistakes in the unemployment insurance program which they have imposed on the people of Canada since 1971. Coming at this late date, they should have the good decency to resign and at least go to the people on these proposals. They should not shoot down to Florida as soon as they get this House closured in the next few days, or wherever they are going to go to forget their sins of the last eight years.

Is it a bird, is it a plane? No, it is Bryce Mackasey, sucking his thumb, flying across Canada as chairman of Air Canada. That is what is going on. It is not the unemployed sucking their thumbs wondering where they are going to go to look for a job in Canada, or staying in Newfoundland and Cape Breton and not wanting to move for a job. It is Bryce Mackasey. It is "Be Nice to Bryce" week. Despite this incredible record that the government is trying to correct since November 9, it is "Heave Bryce into the ranks of the safety, secure—cast the dice for Bryce—be nice to Bryce—give the crud to Bud." While Bryce is chairman of Air Canada, the minister is here trying to put this crud across. He has my sympathy, Mr. Speaker, in this task he has undertaken. I hope that some day he flies somewhere too.

An hon. Member: To hear Crosbie?

Mr. Crosbie: To hear St. Pierre.

Now, Mr. Speaker, we all realize, except for the gentlemen on our left, that there has to be some restraint. A $12 billion—

Mr. Nystrom: Do not forget the hon. member for St. John's East (Mr. McGrath).

● (2122)

Mr. Crosbie: The hon. member for St. John's East (Mr. McGrath) is all heart. I mean, he is a gentleman. Every time one looks at him, one will see his heart pulsing. I am trying to adopt some of that heart of his in St. John's West.

Some hon. Members: Oh, oh!

Mr. Crosbie: This cackling to my left is interrupting my train of thought. A $12 billion deficit this year would be the equivalent in the United States of $120 billion.

Mr. Nystrom: It sounds like a Tory government.

Mr. Crosbie: We realize that there has to be restraint. We realize that there has to be some restraint in the unemployment insurance program, but we do not see why the restraint has to be so bent and crooked and swizzling a restraint as the government has proposed in its amendments. That is why we are going to vote against them. I would not vote for them, anyway. I have no intention of voting for anything brought into this House by the hon. gentlemen opposite, no matter what they bring in, because the source from which it comes is polluted. Therefore, I would not support it anyway. I would not come into the House. But we have a better proposal.

We say, "All right, there is a $2 billion deficit this year in the unemployment insurance account. Don't tell us that this is self-insured, that it is an insurance program when over one half of it has to be contributed by the general taxpayers." It is not insurance. The $2 billion deficit has got to be reduced. So, we have suggested ways this could be done in line with what the provinces have suggested, to cause the least damage to people who have been led to expect so much by hon. gentlemen opposite. They do not want that. They want to step on the backs of the people of the Atlantic provinces and the people in Newfoundland, and to do it in a manner which would be most unfair to people whom they have led along the garden path for seven years now. They have given them these benefits for seven years, yet they want to turn around and snatch them away by passing this legislation; not in some more humane way as we are suggesting, but simply by saying that new entrants to the labour force are going to have to work for 20 weeks before they are entitled to unemployment insurance at all, knowing that in a place like Newfoundland, to try to get work for five months is a near impossibility for many of our people. Or,

somebody who goes back into the labour force after two years has got to work for 20 weeks before he can get unemployment insurance, and so on and so forth.

Then, because of the battering they took—I presume that members in the Liberal caucus who come from Atlantic Canada spoke up for the people of Atlantic Canada—they made a little change in that so that if there is unemployment of 11.5 per cent, it would save some of the worst excesses that they propose in their original legislation. There is not a principle among the whole lot opposite. There is not even an isosceles triangle, much less a principle. They should be ashamed to ask this House and to introduce a closure motion in this House for what they are proposing here.

Mr. Nystrom: A lot of squares.

Mr. Crosbie: I just want to mention Newfoundland simply because I come from there.

Some hon. Members: Hear, hear!

Mr. Crosbie: I do not want Mr. Speaker to get the idea, just because we have heavy unemployment, that we are finished in Newfoundland. We are starting to come up from underneath the Liberal penumbra, this burden that has been on our shoulders since 1963.

Mr. Nystrom: That is why they are voting NDP.

Mr. Crosbie: Mr. Speaker, every province has a number of people who want to commit hara-kiri and might vote for the NDP, but I do not think they will find too many in Newfoundland.

The changes suggested by the hon. gentlemen opposite would take $26 million out of Newfoundland next year, the provisons with respect to new entrants requiring 20 weeks of work instead of, at the present time, ten weeks of work. It would cost the people of Newfoundland $26 million. It would cost our economy. The reduction in the benefit rate from 66⅔ per cent to 60 per cent would cost another $26 million. Had the government gone ahead with its original proposal, we would have lost another $50 million in connection with the proposals which now no longer apply to us, simply because we have in excess of 11.5 per cent unemployment in Newfoundland.

Imagine suggesting that legislation be passed which will penalize a province if it manages to get its unemployment rate below 11.5 per cent. I mean, that takes genius. That takes Liberal genius to try to give us an incentive in Newfoundland for never decreasing its unemployment rate below 11.5 per cent, because if we do we are going to be cruelly crucified by the legislation passed by hon. gentlemen opposite. That is taking away the old work disincentive. We have got to examine the statistics every month now to make sure that she does not go below 11.5. This is a brilliant, audacious amendment that was brought in by hon. gentlemen opposite because they thought they were going to lose the votes of all their members from Atlantic Canada.

This is not the government. This is a bunch of survivors trying to cling together in a rough sea somehow to get beyond the shoals of the next election. This is not governing the country. This is not facing the problems of the country. This is the worst kind of mugwumpery. Even the NDP would not stoop so low.

Some hon. Members: Hear, hear!

An hon. Member: Do not count on it.

Mr. Nystrom: A red Tory.

Mr. Crosbie: Having heard the hon. gentleman, perhaps I had better change that. Yes, they would, Mr. Speaker.

In 1977 we received in Newfoundland $216 million in unemployment insurance. This year the estimate is that it may be $250 million. We do not want to receive this. We want some job creation. The minister says that he is going to save some money with these amendments which he is going to put into job creation. I was down in my district this Saturday, Fox Harbour, and 23 men working—I am sorry, it was on Monday, not Saturday. There were 23 men working in the pelting rain in a gale of 60 miles an hour putting in the sewage system in Fox harbour because of one of the minister's Canada Works projects. Down there I call it my Canada Works projects, but today I will include the minister. These people want to work. They want work.

Anybody who is willing to go out in a 60-mile an hour wind, in a howling gale and a rain storm, to work for the lowly pittance which they are paid in Canada Works in Newfoundland, where we do not even get as much in Newfoundland as they get on the mainland, wants to work. These people want to work. They are not shirkers. But we have got to give them something to work at.

I have been here now for almost two years. I have been in this House for just over two years. For the whole two years I have been trying to get a synchrolift installed in the federally-owned drydock in St. John's, which is going to create 200 permanent jobs. You know, I cannot get it because of the pusillanimous cowardice on behalf of the Minister of Industry, Trade and Commerce (Mr. Horner) who does not run his department. He is afraid to cross the Secretary of State for External Affairs (Mr. Jamieson), who himself is afraid to cross the workers in the shipyard in Marystown who are complaining that if the workers in the shipyard in St. John's get some assistance for the synchrolift, they might lose some business in the future. Therefore, he has told the Minister of Industry, Trade and Commerce not to do it.

Now I have got to throw myself at the feet and at the mercy of the President of the Board of Economic Development Ministers (Mr. Andras), "super Andras", to see if we can get the $8 million for this synchrolift to create 200 permanent jobs. That is what makes this all inconsistent. The 200 jobs could be created with a loan of $8 million, which the government will get back. Yet I have had to go month after month purely for political reasons trying to get that employment

created down in Newfoundland in a drydock which is owned by the government.

So, do not have the government believe that we are going to accept their protestations that the few dollars they save in these amendments are going to create employment. It is all politics. Unfortunately it is not the politics of creating jobs in a member's district, a member who might get some credit if a synchrolift went in the dockyard down in St. John's. That is the kind of thing we are up against with this government.

Job creation is what we want. In Newfoundland we have a population of 563,000. Our total personal income was $2,767 million in 1977. So, we can ill afford to lose $50 million. It is a major loss. We would lose something even if our own amendments are carried here. But the hon. member for St. John's East and I are prepared to support the amendments which this side of the House is putting forward because we realize this country cannot survive with the huge kind of deficits it had in recent years. We realize something has to be done.

There are some abuses in the unemployment insurance system. Therefore we are prepared to see our province get a bit less and support that, but not in the inconsistent, irrational, cruel, unfeeling way which has been put forward by the Minister of Employment and Immigration who has been given a chance now to make a much better adjustment. It is supported by all the provinces and by the official opposition, but not supported by that flotilla to my left which will not be floating in here after the next election. No, they will support nothing. They are for spending. Lash it out until kingdom come. They are not worried about deficits. They are not worried about economic development. They are not worried about creating jobs. They are just squawkers here wanting to spend more and more every day. They want to spend. They have no sense of responsibility whatsoever, not even the hon. member for New Westminster (Mr. Leggatt).

In our province we had an unemployment rate of 15.9 per cent. In 1976 it averaged 13.6 per cent, in 1977, 15.9 per cent, and this year at the moment it is 16.5 per cent adjusted. Imagine, one province in the country has 16.5 per cent unemployment. Alberta has 4.5 per cent, Saskatchewan has 4.6 per cent. Youth unemployment—

Mr. Nystrom: Socialism.

Mr. Crosbie: Potash and other forms of ash. Newfoundland, youth unemployment, 23.5 per cent; Saskatchewan, 11.3 per cent.

• (2132)

I think it was a famous American who said the nation cannot survive half slave and half free. Perhaps it was Abraham Lincoln, a tall gentleman with a beard, and not George Lincoln Rockefeller. He said a nation cannot survive half slave and half free. That is what this nation is. The half from Quebec to Newfoundland is half slave, and the other half from Ontario to British Columbia is half free. The whole set-up is half assed.

Some hon. Members: Oh, oh!

Mr. Crosbie: You cannot be half slave, half free, and half assed. This problem must be overcome, the problem of the waste of human resources in this country from the Quebec border to Newfoundland, the four Atlantic provinces and Quebec.

What are the hon. gentlemen opposite going to do about it? Absolutely nothing. They have been in power since 1963. They do not have the tools and they cannot overcome the problem. All they can do is bring in suggestions to save money on unemployment, money that should not have been spent in the first place.

Mr. Knowles (Winnipeg North Centre): Tell us what you would do.

Mr. Crosbie: I am not going to tell you tonight what we would do. I am telling you now what we propose to do with unemployment insurance. When we take over office later in 1979—

Some hon. Members: Oh, oh!

Mr. Crosbie: The election has to be called in 1979. We will be introducing amendments such as those which have been proposed by the brilliant member for York-Scarborough (Mr. McCrossan). The hon. gentleman will have two tears in his eyes on election night, that is the two-tier system.

We know these are not simple problems. We are not saying tonight that gentlemen opposite should have created full employment last year or full employment this year. I know they cannot do it. I know the labour force is increasing rapidly in Canada. I am not a dumb-dumb.

Some hon. Members: Oh, oh!

Mr. Nystrom: Withdraw.

Mr. Crosbie: I am not like the hon. gentlemen to my left, dumb-dumbs or completely irresponsible. They are one or the other. I have been in a government. I know that we have an increasing female participation rate. There is no reason why we should not have it. We should have more women in the work force if they want to work. We all know there are these causes, that the labour force is expanding so rapidly it is hard to keep up with creating enough jobs and employment.

There will be the same problem for the next government, us. That is why I am tender tonight toward the government. I realize that the problem will be ours in three to six months' time. We will make a better fist of it than members opposite. We know there are no easy answers. However, the answer is not to come in with half thought out excuses for amendments because the Prime Minister (Mr. Trudeau) went to Morocco.

I do not know what happened to the Prime Minister in Morocco. Somebody got to him. He really put it to him. I do not know who it was, but it gave the Prime Minister an awful shock. When he came back to Canada, the poor old Minister of Employment and Immigration had to come up with all of these brilliant amendments. He might as well admit he has

made a grave error, and adopt the suggestions made by the actuarial member from York-Scarborough. He was not supposed to be here, but he is.

I want to remind hon. members to my left of something. The hon. member for Nickel Belt (Mr. Rodriguez) should close his mouth and take this in. His great hero Khrushchev, I said this last week but the hon. member was not here, said "Economics is a subject which does not greatly respect one's wishes." They certainly are not respecting the wishes of the hon. member for Nickel Belt. Another gentleman, Mr. McWilliams, said, and I quote myself again, "Under a planned economy, everything is included in the plan except economy." That is what has happened with the hon. gentleman there.

I have a telegram from the United Church of Canada—

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

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): Nevertheless he may continue—

Some hon. Members: No, no.

Mr. Crosbie: Nobody would say no to the United Church of Canada.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, the motion before us is to delete clause 1.

Some hon. Members: Hear, hear!

Mr. Benjamin: If you can hold your delight for a couple of moments, I would like to speak to clause 1. I do not know when I will get to it because I have some other things I want to say. They relate to the principles, for whatever they are worth, behind this legislation which embody clause 1 and all the other clauses in this bill. We wish we could delete the whole bill.

The whole principle of taxing back under clause 1, and clause 14 that relates to it, flies in the face of any principle of taxation according to ability to pay, and avoiding double taxation. If this were done to private enterprise or a professional person, screams would come from the government benches and Tory benches which would be heard from ocean to ocean.

A construction worker in James Bay or an oil worker in the Beaufort Sea might earn during seven or eight months of the year $17,000 or $18,000 and pay the maximum premiums for unemployment insurance, and I use the word insurance advisedly. He might collect another couple of thousand dollars in benefits. That worker would pay income tax on his earned income and his unemployment insurance benefits, plus pay "tax back" of as much as 30 per cent or more of the benefits he received on which he already paid income tax. Anybody who would try to foist that kind of clause on this place should have his head examined. These are not the kind of people that the minister classifies as those who sit around sucking their thumbs.

[Mr. Crosbie.]

Unemployment is costing this country $8 billion. It is costing $4 billion in unemployment insurance payments and another $4 billion in lost tax revenue, lost production, and increased welfare payments.

The government is implementing Tory policy of restraint and cutting back. My colleague, the hon. member for New Westminster (Mr. Leggatt), and all of us in this party have been saying for many months that you cannot restrain yourselves and cut back into full employment. You cannot restrain and cut back to a prosperous and full productive economy.

Surely it would make more sense to enlarge a deficit for the short term, one or two years, by spending some of that $8 billion that unemployment is costing us. It should be invested in the people of this country, in assets for our country that will create employment in areas where it is desperately needed.

I listened to my good friends from the Atlantic provinces, particularly my two colleagues from St. John's. While they said we need to have restraint regarding unemployment payouts, they did not provide any kind of alternative to take the place of that restraint which would put people to work. They cannot have it both ways.

The two-tier system which the Tories yack about is even more iniquitous than what the minister is proposing. I hope that when those two members return to Newfoundland they will explain to the people there what a Tory two-tier system will mean to the workers of that province.

The government proposes to reduce benefits from 66⅔ per cent to 60 per cent. That is bad enough. The Tories say they would leave it at two-thirds for beneficiaries with dependants, but single beneficiaries would be reduced to 50 per cent. I hope the hon. member for St. John's West (Mr. Crosbie) and the hon. member for St. John's East (Mr. McGrath) will seek out the single unemployed in St. John's and explain this to those who are at a pitiful minimum wage under a Tory government in Newfoundland. They can pay their board and room with that. I am sure they will go out of their way to find the single beneficiaries in St. John's and explain the two-tier system to them.

● (2142)

Members to my right and members who support the government tell us they worry about the deficit and that we have to show restraint. I find it passing strange that in the provinces blessed with Tory governments—

An hon. Member: Blessed?

Mr. Benjamin: —the per capita debt is highest. I want to tell the hon. member for St. John's West that what they are going through now is what we went through in Saskatchewan. We took a kick in the head for some 50 years under Liberal and Conservative governments. We were at the bottom of the totem pole.

An hon. Member: You have a deficit.

Mr. Benjamin: We have surpluses in good times and in difficult times we have deficits. There is a reason for that. We did it in the days of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) and we are doing it now under Premier Blakeney. You invest when things are at their worst, when the economy is slumping. That is the time to invest for the public good.

The per capita debt in Saskatchewa is $985. In Ontario, it is something like $2,100. Hon. members should realize that we paid as we went, and our people are working.

Manitoba has the unenviable record of experiencing the highest increase in unemployment in the past year of any province, beating Nova Scotia and Newfoundland. The increase in the last year has been 35 per cent. That is their restraint. That is their cutbacks. That is their Proposition 13 mentality. It is not public dollars but private dollars that have got their people into the mess they are in. We have had Culver Tories and we have had Lyon Tories, as well as suppositories, such as my hon. friend from New Westminster talked about. A Tory is a Tory is a Tory, and that did not come by chance.

The minister spoke about people being prepared to move to find work. Mr. Speaker, people will move to work if there is work to move to. I did it when I was 17; the only reason I was able to move though was because there had to be a war to put everybody to work in munitions production or the shipyards. I went berrypicking, I joined a threshing crew. I worked in the shipyards. I paid unemployment insurance premiums but never got to use any benefits—I could have done so, but I joined up. I wanted to work, and the whole country wants to work.

The government ought to be bringing down another budget—the last half dozen they have given us were next to worthless. We need a budget which invests billions of dollars in what the country needs to put people to work. We need a minimum of a billion dollars a year invested in the transportation system. We need another additional billion invested in housing.

We need a municipal capital development fund of $3 billion or $4 billion from which municipalities can borrow at less than the bank rate, with the nation as a whole picking up the additional interest cost. The municipalities know what has to be done in their communities, whether they are little villages or the largest metropolitan centres in the country. We can do something about unemployment and pollution at the same time. We could say to the municipalities: you have the use of a fund at less than the bank rate with which to provide, for example, tertiary sewage treatment in every city in Canada with a population of over 5,000. Imagine the number of people who would be put to work manufacturing, assembling and operating projects of that sort. As I say, something could be done about pollution and employment at the same time while improving the well-being of our society.

Then again, instead of building 200,000 housing units a year we might invest in 500,000 units a year, putting people to work and reducing the cost of housing at the same time. Some of the financing for all this could be provided by those who are not paying their fair share of taxation and should be doing so.

In addition to the $8 billion that unemployment is costing our economy this year there are another $8 billion lying on the books of the Government of Canada in the form of deferred taxes. Whatever argument might be advanced in favour of deferring taxes owed by corporations it would surely be reasonable and fair if those companies paid a modest rate of interest on those taxes, because those taxes will never be paid. A rate of interest of, say, 9 per cent, lower than anybody else in Canada can get, would provide another $700 million a year in revenue for investment in the kind of job creation I have described.

This double taxation principle in clause 1, even though it is a relatively high income earner, flies in the face of anything that is fair and reasonable. The minister could not get away with it if he tried that system on the financial institutions or on any other part of the corporate sector. Neither the Grits nor the Tories would even contemplate it. But they will do it to somebody who has to rely on wages.

The Parliamentary Secretary to the Minister of Transport (Mr. Lapointe) made a speech worthy of someone who is upset by this legislation, and I hope he shows his feelings with his vote. He made a good speech though I suspect it was operation SLBS—"Save Lapointe's Backside." He wants the government to take another look at this. He talks about unemployment in his riding running at between 23 per cent and 26 per cent. How he can sit over there in almost the same row as the minister who is sponsoring this legislation, is beyond me. I hope he will put his vote where his mouth is. And I hope the hon. member for South Western Nova (Miss Campbell) and a number of other members from that side of the House who feel the same way will do so too.

It is important, also, when you ask people to make sacrifices and exercise restraint, that it should apply to all, not just to salary and wage earners. No one section of the population should be asked to carry the load by themselves. I think of the crude and unconscionable returns which are expected and obtained by the corporate sector—one would not mind so much if this money, or a large part of it, were reinvested in job creation. I have not heard the government or the official opposition suggest to shareholders in the corporate sector that they should show some restraint, take smaller dividends or take half the dividends they expect and invest surplus revenue in their country instead of putting it into their own fat pocketbooks. I did not hear the government or the official opposition ask financial institutions to stop the unconscionable record 26 per cent increase in profits over the past year. I have not heard them say that there should be restraint or cutbacks there. There has been no requirement on the part of shareholders or executives to cut back and to invest in employment or in the people of our nation.

● (2152)

To try to reduce government deficits at the expense of wage and salary earners is unconscionable. That should be beyond the conscience, the decency, and the morals which are in the hearts and minds of the Liberal and Conservative parties.

They cannot ask just one part of the nation to chip in, and allow the other part of the nation to go blithely on its way, getting all it can get. We need a 180-degree turn from the traditional and conventional wisdom of so-called private enterprise governments.

I do not ask the government to copy, imitate, or even pay attention to what we socialists are saying. I ask the government to take a leaf out of the book of private enterprise governments in a number of other countries. We cannot copy exactly what governments in other countries do. We must proceed according to our climate, geography, and economic situation. Only in this country and in the country to the south of us do we still cling to nineteenth century solutions and ideas in dealing with something which is entirely new in the economic history of mankind.

Clause 1 needs to be deleted. As a consequence, clause 14 should be deleted. The whole bill needs to be withdrawn. After January 23 the government should come back to us with a rewritten bill which would do some of the things we have been talking about. We can do it. The people and the wealth are there. They need to be challenged and mobilized. They need to be asked and directed. They need leadership in doing all the things which need to be done. That would do much to reduce deficits. It would do more to reduce our debt than any of the solutions proposed by the government and the official opposition. Can they not learn lessons from the histories of their own parties and of our country, let alone of other countries?

Surely by now the lessons of the 1890s to the 1960s should have told the government and the official opposition that we must make fundamental changes in managing our economy. This cannot be done just by the government, but the government has to lead. These changes require business, the trade union movement, the farm sector, the provinces and the municipalities to mount a massive effort under the leadership of a national government which is truly national. Unless and until we are prepared to make changes, we will continue to chop away at those who not only are not causing inflation and deficits but who instead are its first victims.

Mr. McGrath: Mr. Speaker, would the hon. member permit a question?

Mr. Benjamin: Mr. Speaker, I would be glad to when I have one minute left.

Unless and until investments are made, even with the knowledge that in the short run there would be deficit increases, we are not going to get out of the unemployment mess we are in, and our economy will not grow at a rate that is reasonable and proper, even if things are tough, comparatively speaking, in the rest of the world. That surely has to be done.

The Acting Speaker (Mr. Ethier): Order. I regret to interrupt the hon. member but I must inform him that his allotted time has expired.

[Mr. Benjamin.]

[*Translation*]

Mr. Richard Janelle (Lotbinière): Mr. Speaker, I too should like to bring my contribution to the discussion of the important bill before the House tonight. Having come to this House but a short time ago, I still had a few illusions: I thought that the federal Liberal party might perhaps have been touched by the hand of God. But I was sadly disappointed on nothing, since my election to this House, that it has brought in nothing but legislation that penalizes the disadvantaged.

The legislation we are discussing this evening will bring hardship upon several ridings of Canada, my own included. In my area, which depends mostly on soft sectors such as forestry and furniture, the rate of unemployment is rather high. Every week people come to my office complaining about the unemployment insurance program. The new amendments to the act will restrict access to benefits even further. And yet credits allotted to Canada Works projects by the same department were reduced to $800,000 this year.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HEALTH AND WELFARE—PROGRESS IN FIELD OF BEHAVIOURAL MEDICINE

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, on November 2 I asked the Minister of National Health and Welfare (Miss Bégin) what progress in the field of behavioural medicine, the dream child of the previous minister, she could report. The minister's answer indicated an 8 per cent reduction in hospitalization between 1971 and 1975. That was a period in which there was the promotion of good health. I want to state that I am definitely in favour of preventive medicine and the keeping of records which show that we are on the right path.

The paths of the 1920s, the 1940s and the 1950s have come to an end because in those years we were dealing with the prevention of acute disease. The period from 1971 to 1975 was a period in which, as I said, there was the promotion of good health. Since statistics were compiled in those years, I would like to know in what areas we were most successful and between which guidelines we were operating. I would like to know what diseases were prevented by the specific measures which were taken. I would like to know what those specific measures were, as well as figures relating to the decrease in morbidity as well as figures relating to mortality.

Between 1973 and 1976 there was a 24 per cent reduction in the number of motor vehicle accidents. This was before seat belt legislation was in effect in Ontario or Quebec and, I believe, before speed limits were reduced. It was also before many highways were divided by median strips. Previously highways proved to be suicide areas. There was a very high accident rate. I would like to know specifically what was the cause of the 24 per cent reduction. If we could be more specific on those points, we might further increase this drop.

• (2202)

Pedestrians crossing streets should wear clothing that stands out, and not dodge traffic when they should be waiting for a light change or a clear road. That goes without saying. In this particular department, prevention does not work all that well. Traffic related accidents went up 14.2 per cent in 1977, and the total number of accidents without injury went up 3 per cent. That is where you have fenders banged up, and things like that. Also, most drivers who had those accidents were young people up to 30 years of age. Something should be done to see whether prevention is practised in that area, if these young people are well equipped, if they have the knowledge and ability, the proper training and sense of responsibility to be in charge of a motor car.

This is not the whole answer. Looking again at the statistics, we find that in December of 1977, as compared with December of the previous year, there was a 24 per cent decrease. Then we find an increase in motorcycle accidents. What has been done in that respect to prevent those accidents? Also, snowmobile accidents are on the increase. We understand that this is a drinking-driving problem, a problem similar to the one we have with cars.

Now let us look at the geriatric problem. The minister said there was a decrease of 3 per cent in coronary artery disease. According to one report, this has continued since 1961. The minister has taken the figures from 1973 to 1976 and, very wisely, added that they were only indicators. Cardiovascular cerebral disease has increased because we are an aging population. That is one reason for it. Arteriosclerosis increases with age, therefore it follows that we will have more vascular accidents. Where do we start to prevent cardiovascular disease? The previous minister gave a very fine paper in Vancouver on this subject, but offered no real solutions to it at the time.

Going back over the records we find that during the Korean war autopsies were done on young fellows between the ages of 20 and 30 and that half of them showed evidence of coronary disease. Is exercise to be prescribed for the duration of our life?

Can the North American concept of the big meal at night, with a pleasant cocktail or wine, be broken? Do we really know about prevention of the development of hereditary traits, diet and exercise? This is why we need to be far more specific in our guidelines. Then we have to take steps for prevention.

We need to check people for blood pressure, for cardiovascular disease. We need regular clinical exams which should not be done by machines or computers. We need doctors who will look at those cases from a clinical point of view and prescribe for them. I ask: can a lot more be done in prevention and research, and can we cut the charge bill? As a result of that, morbidity and mortality will be cut, and that will be worthwhile. We have to sort out those things. Should we not start our geriatric plan for coronary disease and cardiovascular back at the pediatric age?

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I note that the hon. member for Simcoe North (Mr. Rynard) has indicated his great concern, as he usually does, about the whole question of geriatrics. I would point out to him that in response to his question of December 14, 1978, the Minister of National Health and Welfare (Miss Bégin) said that the new bureau on aging, which is starting operations in the Department of National Health and Welfare, will also include geriatrics. I am quite sure the hon. member is very pleased to have that good news.

• (2207)

His question appears to be much more comprehensive than was previously the case when the question was first posed. However, I wish to amplify the response to the question about progress in behavioural medicine posed by the hon. member for Simcoe North on November 2, 1978.

The recent reorganization of the Department of National Health and Welfare indicates the extent to which emphasis is being placed on a positive approach to health. The new health services and promotion branch brings together a number of health promotion activities which have been developed throughout the department. This change was made in the midst of our general reduction in staff years and operating expenditures, and offers a greater concentration of effort in a more efficient manner.

Among our initiatives is "Operation Lifestyle", which uses a variety of social marketing techniques to encourage Canadians to assume greater responsibility for behaviour related to health.

"Dialogue on Drinking" is another program sponsored by federal and provincial agencies, and is aimed at establishing a social climate in which irresponsible drinking becomes less acceptable.

The fitness and amateur sports branch promotes organized athletic activities and encourages fitness programs for individuals. "Participaction", the "Fit Kit" employee fitness program, and the Canadian fitness award for deserving children have become household words.

The National Advisory Committee on Immunization suggests schedules for routine immunization of children and provides seasonal advice for influenza vaccination.

Under the leadership of the environmental health directorate many agencies, both in government and industry, are looking at the impact on the environment of our industrial

society, and attempting to minimize negative consequences of future urban and industrial development.

The Department of Labour's new Canadian centre for occupational health and safety will be the federal focal point for work toward improvement of conditions relative to health and safety in the work place.

Of course, the provinces and the professional and private agencies play an essential role in health promotion. Co-operative activity is guided by a new federal-provincial advisory committee in this area. Examples of provincial approaches which parallel those at the federal level are "Action B.C." and the Saskatchewan "Feeling Good" programs. Other provinces have similar trusts. The success of provincial traffic safety programs has been widely acclaimed.

In all these activities the key to success is giving each individual a sense of responsibility for his or her health.

REGIONAL ECONOMIC EXPANSION—DEVELOPMENT OF NORTHERN ONTARIO

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to say a few words tonight regarding a question I put to the Minister of Regional Economic Expansion (Mr. Lessard) a few days ago concerning a rural development agreement for Northern Ontario. You will recall, Mr. Speaker, there was a forestry agreement signed between the province of Ontario and the federal government a couple of weeks ago, which is designed to bring that industry to its full potential. There has also been an indication from the minister that there would be a rural development agreement signed as well.

This is very significant because the ARDA agreement, which has been in effect for the past few years, has had very significant benefits for many areas in northern Ontario, like the Algoma-Manitoulin area. Programs such as the farm enlargement program have been carried out under this, and at least in the Manitoulin area some 70 farms were purchased and assistance has been given to young farmers to expand their operations, bringing them to more economic sizes. Some four large community pastures were established to provide more pasturing for the beef industry there, and something like 27,000 or 30,000 acres in total have been purchased in relation to the farm enlargement program and the community pasture program, and this has been combined with improved herd sires to upgrade the beef industry. As well, co-operative livestock sales have been established at Thessalon and at Little Current, with some assistance from ARDA.

There has been the development as well of two meat packing plants, one at Bruce Mines and one at Spring Bay on Manitoulin Island. There has also been an improvement under the program so that farmers cannot only market through this co-operative sales mechanism, but as well can have meat processed in these plants. It also provided assistance for farm drainage training programs such as the business of farming courses.

[Mr. Robinson.]

• (2212)

A fish packing plant was constructed with ARDA assistance at Mamainse Point north of Sault Ste. Marie on Lake Superior. Likewise, the tourist industry has also benefited from this program which has provided waterfront property for communities like Meldrum Bay, Gore Bay, Kagawong, Little Current and Manitowaning. Also, a number of community trailer camps have been constructed at Gore Bay, Garden River and Meldrum Bay. These camp grounds are providing tourist facilities for those communities. There are also the community parks in Johnson Township and Bridal Vail Falls which have been constructed under the ARDA program.

I am providing this information as background because I want the minister to be aware of how important this program has been in our area over the past few years. It is easy after these activities have been carried out to forget how important they are.

I would like to pay tribute to one person, Mr. Joe Brown, the rural development officer in the area from 1967 to 1974. His territory included not only the Manitoulin Algoma area, but also northern Ontario. Later on he had six counsellors working with him. He did a great deal to make this program a success, and had the ability to take a good idea and work with governments and with the people. He had some spectacular achievements with regard to ARDA projects.

What we must look at as the minister signs this new agreement with the province of Ontario are the really worthwhile projects which have been carried out under ARDA and which still have some life left in them. We should retain the best parts of that program where there is still work to be carried out. I would like to see a multimillion dollar, five-year rural development agreement with the province of Ontario. The minister has indicated that it would be signed before the end of this fiscal year.

This program should feature aspects relating to helping young people get started in agriculture, provide for more expanded and diversified production, assist in the tourist industry to provide improved facilities and develop that industry in northern Ontario, which has so much potential.

I think there should be a manufacturing component in this program to provide for diversification and processing in our manufacturing industries to process further our basic resources in northern Ontario, such as agriculture, mining, and forestry.

It seems to me that there should be consultation with the members of parliament from northern Ontario and with the people of the area to ensure that this program is all encompassing and meets our needs to develop fully our natural resources which I have mentioned. Only in this way can we reach our full potential and develop the resources which we have at this time.

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I can fully understand and appreciate the concern of the hon. member for Algoma (Mr. Foster) because he is certainly one of the most dedicated members in this House when it comes to the con-

cerns and affairs of his constituency. He always speaks out when he thinks the government is neglecting his area of Ontario. That is his right and duty, and he deserves full credit for it.

As the hon. member stated, the Agricultural and Rural Development Act has done much good in many areas of Ontario. It has been one of the main tools of rural development in that province since 1962. He outlined in much detail the various programs, but when we realize that the federal government has spent almost $75 million through ARDA in the province of Ontario since 1962, that sort of speaks for itself. No matter how good programs may seem, there is always a time and a method to improve them.

● (2217)

The Department of Regional Economic Expansion has taken the view that a new approach to agricultural and rural development assistance in Ontario is needed. DREE considers that proposals of a regional character rather than direct on-farm measures would likely improve the foundation for development in all the resource areas. An example of that approach is the recently signed new forests in eastern Ontario amendment.

I would like to give the hon. member as much information as I can in the very limited time available, and first speak about the meeting which my minister had with ministers in the Ontario government who are responsible for the general development agreement. There was substantial agreement among the ministers that priority should be given to the needs of eastern Ontario where much of the ARDA effort has been concentrated, and the minister does believe there is considerable compatibility between some of the ARDA thrusts and what might be done under a more comprehensive approach in a new GDA subsidiary agreement.

I am very happy to advise the hon. member for Algoma that the work of developing a new agreement is now in progress and well under way. DREE is looking toward an integrated approach which assesses the opportunities in all resource sectors. There seems to be the possibility of joint incentive assistance to resource based industries in addition to the Regional Development Incentives Act, which applies in this part of the province.

In conclusion, Mr. Speaker, discussions are definitely under way between DREE officials in the province of Ontario region and the province of Ontario itself on these new initiatives which bear upon economic development in both eastern and northern Ontario. While it is quite impossible to provide the hon. member with an assurance that all past programs will be incorporated in new agreements, the planning will include a full examination of what has been done and what might and should fit into a more comprehensive framework of rural development.

Adjournment Debate

PUBLIC SERVICE—COST OF BOOKLET CIRCULATED TO EMPLOYEES

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, on December 14 of this year, as reported at page 2014 of *Hansard*, I asked the President of the Treasury Board (Mr. Buchanan), a question concerning the distribution of a booklet entitled "Proposed Changes to the Public Service Staff Relations Act". I have a copy in my hand, and it has been distributed, I am told, through the personnel departments of the Government of Canada to as many employees as possible.

The distribution of this booklet brought a criticism from the staff associations to the effect that the employer was taking advantage of the employer's position officially, to distribute one side of the case concerning the amendments to the Public Service Staff Relations Act.

You may recall, Mr. Speaker, that earlier this year the government introduced Bill C-28 which proposed a number of changes to the act which were, I would say, the sequel of the first ministers' conference held in February. At the conference there was a general agreement between the heads of government of all the provinces of Canada and the federal government that, as a general principle through the de-control period, wages in the public sector should not lead outside employment.

The concern that many of us have is the escalating situation where the staff associations are attacking government on one side and the government now appears to be replying. I am happy to note that the tone of the government document is moderate. The tone of a document now being distributed by staff associations is not moderate, however. The document entitled "The Truth About Bill C-22", a copy of which I also have in my hand, is being distributed. What gives many of us in the area a great deal of concern is the general tone that appears to be developing.

When Bill C-22 to amend Bill C-28 was given first reading this fall, an article appeared in the Ottawa *Citizen* of November 22. The vice president of the Public Service Alliance of Canada, Mr. Bill Doherty, said that it was not that bad a bill. Bill C-28 was bad, but he is reported as saying the following:

● (2222)

—the union which waged a massive lobbying campaign against the legislation's predecessor, Bill C-28, will likely meet with the government to discuss the ramifications of the new, modified bill.

It continues:

—the union has never been against comparing public service contracts to those given by "good" employers in the private sector.

The tone seems to have become progressively worse. I should like to refer to a news release issued by the Public Service Alliance of Canada on December 14, 1978. In part it describes:

—Bill C-22 as "a tragic and stupid mistake".

It continues:

"Rather, it is political scapegoating at its worst, designed to serve certain political interests and commitments."

With reference to distribution of the document entitled "Proposed Changes to the Public Service Staff Relations Act", the news release indicated the following:

It said Treasury Board "seeks to sell Bill C-22 by inference, omission, distortion and misrepresentation".

I have many good friends in the staff associations. I should like to tell them that they are not helping by this kind of attack.

I should like to refer to the document entitled: "The Truth About Bill C-22". It reads in part as follows:

For example, comparisons would not be made with *municipal* and provincial public employees who do similar work, but solely with workers employed by profit-making organizations.

That is simply not true. Outside employment generally will be the standard. This will be developed by the new research bureau which now will be directed by an independent board, half of its representation coming from the employers and half from the employees.

The case which unions will be making is impaired by intemperate remarks and statements such as those attributed to the president of the Public Service Alliance, Mr. Stewart. I just cannot help but call to the attention of staff associations that Bill C-22 will have full and complete debate when it receives second reading in the House. Then it will be referred to committee. There will be every opportunity for spokesmen of employees and staff associations to appear and give their points of view. If there is reason to believe, as has been asserted, that comparisons will not be made with municipal and provincial public employees, then let us look at the clauses in the bill. If amendments have to be made, they can be made.

There have been substantial changes to Bill C-28, for example, the exclusions for over $33,500. That is out of the new bill now. This can be accomplished only when there is an atmosphere on both sides of moderation, willingness to meet, and willingness to consult.

I cannot help but observe at this stage that this session cannot have that long a life. We will adjourn shortly, after dealing with the amendments to the Unemployment Insurance Act. In the new year we will deal with Bill C-12, the indexing of pensions. That will take a while. There is a heavy legislative agenda. I would think there is a high probability that parliament perhaps will be prorogued shortly after Easter or thereabouts. We are looking at something like 12 weeks or 13 weeks of House sittings in 1979. It will be a very tight schedule if Bill C-22 is to be enacted.

If Bill C-22 is to be considered on its merits, I trust and hope that spokesmen for the staff associations, in a spirit of very careful research and the exercise of good, considered judgment, will make preparations to appear before the committee in order to give us the benefit of their views. I am prepared to listen as are many other people in the House. Only if they follow that route will they have the kind of legislation they want to see on the books.

● (2227)

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the hon. member for Ottawa West (Mr. Francis) has demonstrated once again his unfailing interest in those subjects which affect his constituents greatly, and his vigilance in bringing these concerns to the attention of the government and parliament. I will not reply by debating with him the merits of Bill C-22, but rather reply to the original question he raised in the House as to the cost of the booklet which was distributed to all public servants.

He inquired first about the cost of this publication. Based on cost estimates from the Department of Supply and Services, the minister advised him on Thursday, December 14 last, that the unit cost was in the vicinity of nine cents per copy. I am pleased to note that the final cost may in fact be lower than this estimate. I am informed by the Department of Supply and Services that the actual cost will be $24,950.60, representing a unit cost of seven cents per copy. This includes printing and distribution costs, plus a service fee, that are being charged by the Department of Supply and Services. Bulk quantities were supplied directly to departments, which in turn were responsible for their distribution within their organizations.

Hon. members will recall the extensive campaign waged by public sector unions against the predecessor to Bill C-22, namely, Bill C-28. Public service unions prepared briefs on Bill C-28 and distributed them to their members. They referred to Bill C-28 in the newspapers and other publications.

My colleagues and I, as well as members of departmental management, heard many concerns from employees concerning the fact that the employer was not explaining the bill and its rationale to employees. The government decided that when a successor bill to Bill C-28 was introduced, an effort should be made to inform employees on the provisions of the bill. This booklet is the result of that effort.

The hon. member mentioned, and rightly so, that when this bill comes before the House of Commons there will be a full debate. Witnesses will be asked to appear before the committee. The Public Service Alliance and other unions in the public service will be free to come forward and answer questions and testify before the committee. I believe the government has acted rightly. I am sure those employees who read this booklet will be happy that the government has prepared it.

The Acting Speaker (Mr. Ethier): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock p.m.

Motion agreed to and the House adjourned at 10.30 p.m., without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, December 20, 1978

The House met at 2 p.m.

• (1407)

ROUTINE PROCEEDINGS

[*English*]

PENITENTIARIES

REDUCTION IN CHAPLAINCY SERVICE—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, under the provisions of Standing Order 43 I rise on a matter of urgent and pressing necessity.

Taking into account the statement by the Solicitor General Mr. Blais that no written notices of employment termination have been issued by the government regarding the reduction of chaplains in Canadian penitentiaries, I move, seconded by the hon. member for Portage (Mr. Masniuk):

That the Solicitor General make a statement on motions today outlining how it is that he knows nothing about a written notice of job termination received by Reverend Neil de Haan, chaplain at the Rockwood Institute and, as well, explain to the House what is meant by the policy given to the director at Stony Mountain maximum security penitentiary that the positions of chaplain and psychiatrist must be eliminated but the people, namely, the doctor and minister, must remain.

Mr. Speaker: Presentation of such a motion for debate at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

GOVERNMENT PUBLICATIONS

REQUEST CANADIAN LIBRARIES RECEIVE CONTINUING SUPPLY—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move an urgent motion.

In view of the government's proposal to cut by half the number of libraries in Canada able to receive government publications free of charge, and in view of the fact that it will be citizens in the more remote parts of Canada who will pay for this measure by being deprived of access to information, at a time in the nation's history when we require greater, not less, communication, I move, seconded by the hon. member for Regina-Lake Centre (Mr. Benjamin):

That this House instruct Treasury Board, in keeping with the recommendation of the government green paper on public access to government documents, to ensure the continued provision of government publications to these college and public libraries free of charge.

Mr. Speaker: Such a motion can be introduced for debate at this time, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AIR CANADA

REQUEST FOR CONTINUATION OF SERVICES AND HIRING OF MORE PILOTS—MOTION UNDER S.O. 43

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

In view of the fact that as of January 7 Air Canada will substantially reduce its services, especially on routes serving remote areas; in view of the fact that the same corporation says that it is compelled to make those changes as a result of the restricted number of authorized landings for pilots; considering that those reduced services added to other ones are reflected by higher transport costs, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That the Minister of Transport (Mr. Lang): first, instruct that Crown corporation to maintain its present services; second, deny to Air Canada the elimination of flights expected on January 7, 1979; and, third, suggest that the Crown corporation hire more pilots with a view to enforcing the collective agreement and maintaining that public service.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, that motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*English*]

CENTRAL MORTGAGE AND HOUSING CORPORATION

CRITICISM OF CORPORATION'S INVOLVEMENT IN HOTEL FRANCHISE OPERATIONS—MOTION UNDER S.O. 43

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In light of the fact that the federal government is now the proud owner of another luxury hotel, one in a series of 12 hotels funded under the National Housing Act, in this case to the tune of $13.5 million, I move, seconded by the hon. member for Selkirk (Mr. Whiteway):

That this House direct the Minister of State for Urban Affairs to terminate CMHC involvement in its hotel franchise operations and get on with the job of providing satisfactory housing for the over half a million Canadians who pay over 30 per cent for shelter, and to admit the serious backlog of problems associated with the AHOP program.

Mr. Speaker: Introduction of such a motion for debate at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

IMMIGRATION

SUGGESTED INCREASE IN NUMBER OF SOUTHEAST ASIAN REFUGEES ADMITTED TO CANADA—MOTION UNDER S.O. 43

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

In keeping with Canada's extremely fortunate position in the world, and with the spirit of the season, I move, seconded by the hon. member for Kent-Essex (Mr. Daudlin):

That the government give favourable consideration to the admission to Canada of an appropriately higher number of those southeast Asian refugees known as the boat people.

Mr. Speaker: Such a motion can be presented for debate at this time, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

• (1412)

ORAL QUESTION PERIOD

[*English*]

GOVERNMENT ADMINISTRATION

POLICY RESPECTING COMMERCIAL ACTIVITIES OF FORMER HOLDERS OF FEDERAL PUBLIC OFFICE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Prime Minister, perhaps I could direct my question to the Deputy Prime Minister who was the recipient of a letter from the Prime Minister dated October 18, 1976, setting out a reminder, as the Prime Minister called it, of the policy respecting commercial activities of former holders of federal public office in Canada.

Is the Deputy Prime Minister aware that the former minister of finance, Mr. John Turner, within weeks of leaving this House solicited various corporations with a view to offering them advice and guidance in respect of many matters pertaining to Ottawa, and succeeded in getting a group of ten to 12 to pay him $15,000 per annum for the advantage of his counsel? Is the House leader aware of this and, if so, does he feel it broke any understanding or guideline that existed at the time Mr. Turner left this House?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): No, Mr. Speaker, I am not aware of any such offer on the part of the former minister of finance, not following his career with the same interest as my hon. friend has done. Knowing the former minister of finance, I would conclude that he would conduct himself after he left office with the same degree of integrity that characterized his public service in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Stevens: Mr. Speaker, again I would direct my supplementary question to the House leader, who I know will recall that one of the principles set out in the October 18 letter addressed to him was the following:

Current and former holders of public office must ensure by their actions that there is no reasonable ground for belief that it is possible to have privileged access to government personnel or services.

Has the House leader had an opportunity to review the various memoranda and letters that have been sent out by the former minister of finance, in one of which he states:

As a starter, the chief executive officer should be put in as good a public policy posture as a cabinet minister.

Presumably he was referring to the chief executive officers of corporations.

Mr. MacEachen: Mr. Speaker, I have not received copies of the alleged memoranda or bulletins that may have been sent out by the former minister of finance. As I said earlier, the former minister of finance, when he was in the House of Commons and occupied an office in the ministry, conducted himself with integrity, and I am sure he is aware of the obligations which are voluntary in character and which may

follow the career of a person who has served either as a minister or as a member of the public service.

To my knowledge, there are no sanctions and it is entirely up to the individual himself to observe the standards which have been suggested and circulated by the Prime Minister. All I can say is that I am quite confident that the former minister of finance would conduct himself with those standards in mind.

Mr. Stevens: Mr. Speaker, I would again address my supplementary question to the House leader, and recall for his benefit that Mr. Turner's first letter and statement of account was sent out one week after the guidelines were first communicated to the House leader back in 1976.

My final question to the House leader, who has extolled the virtues of Mr. Turner, is: in view of the letter sent to Mr. Turner, as minister of finance, on his departure in September, 1975, from the Prime Minister which stated in part, "Since you did not base your resignation on any policy disagreement, I will not hesitate in the months ahead to seek your good counsel", would the minister indicate if, in fact, that good counsel has been sought and received since Mr. Turner left this House?

Mr. MacEachen: Mr. Speaker, I have absolutely no knowledge of what communications may have transpired between the Prime Minister and the former minister of finance, in either direction. However, I do not know what relevance there is at the present time in asking questions about correspondence between a member of the government and a former minister who is now a private citizen. I do not see where that comes under the administration of the Government of Canada.

• (1417)

ECONOMIC ANALYSIS BY FORMER MINISTER OF FINANCE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Deputy Prime Minister. I guess the government cannot afford the price of these private epistles from Mr. Turner.

In the latest one, dated December 1, Mr. Turner notes that there has been a decline in the traditional strength and independence of the Department of Finance and increasingly poor economic performance by the government, and he notes that the Economic Council of Canada has contributed nothing to improve either of these worsening situations. Does the Deputy Prime Minister agree with this analysis? If he does, does he intend to subscribe to these rather interesting memoranda?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, from what I have listened to, which is purported to be the content of a memorandum, I certainly do not subscribe to those views. If they are sold to clients, maybe they would find them more useful than I would.

Mr. MacKay: I am sorry to hear that, because Mr. Turner is apparently actively engaged in undermining the government with this ginger group in which he plays an advisory role. Since Mr. Turner appears to be running well ahead of the Prime Minister in polls in certain areas of the country, probably the Deputy Prime Minister will agree there is more of a basis for a problem with party unity than national unity with this government, and the purpose of Bill C-14 and the closure motion—

Some hon. Members: Oh, oh!

Mr. Speaker: Order.

* * *

THE CANADIAN ECONOMY

REQUEST FOOD AND BEVERAGE COMPANIES RESTRAIN PRICE INCREASES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in the absence to the Prime Minister I will direct my question to the Minister of Finance. Yesterday, the Prime Minister indicated in the House that the cost of living is going up faster than wages in this country. Today, the Centre for the Study of Inflation and Productivity reconfirmed the fact that profits in the food and beverage sector have gone up by 65 per cent in the last 18 months. They said:

> If there is any remaining doubt about the extent of the profit recovery—all other data show that the return on equity in the food and beverage industry in the first quarter of this year was the highest of any quarter in the last 15 years.

My question to the Minister of Finance is this: yesterday the Prime Minister called upon workers and unions to continue practising restraint in order to stop the possibility of controls. Will the minister call the heads of the food and beverage companies into his office and insist that they now restrain their prices, and in many cases roll them back, because of the tremendous profits made in the last year?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the proposal by the Prime Minister yesterday applied to both labour and management. Everyone must show restraint in order to ensure that the competitive position of Canada is maintained and that we can take advantage of the fact that the Canadian dollar is more competitive. It is important that management shows restraint, like everyone else.

Mr. Nystrom: With respect, Mr. Speaker, the minister did not answer the question. I asked whether he or the Prime Minister would call the heads of the food and beverage companies into their offices and insist that they show some restraint, particularly in view of the fact that the *Financial Post* reported just a week ago that the George Weston company had a profit increase of 421 per cent this year over last. Will the minister call these companies into his office and insist that they show some restraint?

Mr. Chrétien: Mr. Speaker, in the month of June I asked the AIB to look into the food industry. I do not know what the

difference is between this report and the report we received from the AIB some months ago showing there were not excessive profits. We now have a report showing there are excessive profits. I will look into this. I hope that, for the benefit of Canada, every sector of the economy will show restraint in order to maintain the competitive position of the Canadian economy.

Mr. Nystrom: In view of the fact that it appears the Minister of Finance will not be doing that, may I ask him a specific question? The price of bread will go up by seven cents a loaf on January 1, and probably by 12 cents a loaf within a few months. The Centre for the Study of Inflation and Productivity said it is vital, if we are going to overcome inflation in this country, that cost increases are not automatically passed on to the consumer.

● (1422)

In view of the fact that the actual cost of the wheat in a loaf of bread is only 3½ cents, will he call in the food company heads and insist that the price of bread should go up, not by seven or 12 cents but only by the increase in the cost of wheat?

Mr. Chrétien: In the Canadian economy we have to rely on the marketplace—

Some hon. Members: Oh!

Mr. Chrétien: Mr. Speaker, those are the very members who were complaining because we had controls in Canada. A year ago I said controls were to be abolished. I am glad to see that the hon. member is advocating a return to controls, and I hope he will inform his labour friends accordingly.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

AIR CANADA

REASON FOR REDUCTION OF SERVICE IN CERTAIN REGIONS

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, my question is directed to the Minister of Transport. Since Air Canada is about to cut back on its flights to outlying areas, for example it will cancel its non-stop Rouyn-Montréal flight on Thursday, Friday and Sunday evenings, and since it is going to do the same thing in just about all the outlying areas of the country, as of January 7, can the minister tell the House whether he has had discussions with Air Canada concerning these service cutbacks. If so, how does he explain the fact that despite the proposed 8 per cent increase at the end of December the company can still cut back on its services, especially since there are no more newspapers distributed on the planes and meals are nothing more than pre-packaged sandwiches? How does he explain that on top of that the company wants to cut back on its flights?

[Mr. Chrétien.]

[*English*]

Hon. Otto E. Lang (Minister of Transport): This subject was raised in the House some time ago and was based on an Air Canada information statement which indicated that a shortage of pilots was going to require a cutback in service beginning early in January and continuing for several months. These cutbacks are to be spread across the country.

As a result of acquiring new aircraft, Air Canada has a lot of pilot training to do, because very often pilots from one type of aircraft are involved in training for the new aircraft. Many more pilots are involved in the training than those required to fly the new aircraft. But I will certainly bring the hon. member's concern to the attention of Air Canada.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, indeed the minister is right when he says that Air Canada justifies its decision to cut down the number of flights, come January, by saying it has a shortage of pilots. Since 1973 pilots from various sectors, both the military and civil aviation, have been applying for jobs but Air Canada has always turned them down. At times Air Canada says applications should be made more often but, unfortunately, when people do so then they are told they should not apply too often. Can the minister explain the attitude of Air Canada toward the pilots who apply for jobs in its service?

[*English*]

Mr. Lang: I think I did explain the situation. Air Canada had enough pilots and was recruiting pilots according to its needs. With the acquisition of new and different types of aircraft, the need for a whole new training program arose. Whether Air Canada predicted it accurately or not, I have not investigated. But the specific problem the hon. member refers to its related to the flights which are being cut off in the early part of January, and I understand that a pilot problem is the cause.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, contrary to what the minister says, the ultimate reason is not a question of training new pilots but the fact that the collective agreement limits the number of landings the pilots can make on each flight, five at the most, and despite the agreement the company has not managed to increase the number of its pilots in order to respect it. Today, is the minister willing to take what steps are indicated with Air Canada so that it has more pilots and can respect the collective agreement it has signed with them?

● (1427)

[*English*]

Mr. Lang: Mr. Speaker, that would not solve the immediate problem because the difficulty is in the whole training process. So I have no particular advice to give the hon. member and I do not think I have any to offer Air Canada, either.

REGIONAL ECONOMIC EXPANSION

REFINANCING AND MODERNIZATION OF SYDNEY, N.S., STEEL PLANT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question was intended for the Minister of Regional Economic Expansion, but in his absence, if I may, I would like to direct it to my colleague from Cape Breton, the Deputy Prime Minister. It is with regard to the proposed contract between Sysco and the Tree Island Steel corporation of British Columbia.

In light of the answer given by the Minister of Regional Economic Expansion last week in which he indicated that an interim decision should be possible, is the Deputy Prime Minister now in a position to specify what form of interim agreement the Minister of Regional Economic Expansion is seeking and whether we can expect an announcement before the House adjourns? Today is December 20.

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I believe I can tell my hon. friend with some assurance that it will not be possible to make an announcement with respect to the Sydney Steel plant before the adjournment which we expect to take place at the end of the week.

That is not to imply that the question raised by the hon. member is not important and is not being considered by the government, because it is. Indeed, yesterday a number of ministers considered in some detail the problems facing the steel industry in Nova Scotia, and particularly the proposals we have received from Premier Buchanan with respect to possible federal assistance. We have maintained contact with the provincial government on this matter and will continue to do so.

* * *

INDUSTRY

LOAN TO TREE ISLAND STEEL CO., B.C.—CONTRACT WITH SYDNEY, N.S., STEEL PLANT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I wish to thank the Deputy Prime Minister for his very encouraging reply. My supplementary question is directed to the Minister of Industry, Trade and Commerce, a former seatmate of mine who is well aware of the economic problems and the unemployment situation on Cape Breton Island.

My question relates to the recently announced loan by the Enterprise Development Board of $40 million to $50 million to the Tree Island Steel company of British Columbia. Would the minister be kind enough to tell the House if the loan is conditional on Tree Island's meeting its long-term contract with Sysco regardless of whether financial arrangements for the modernization of the Sysco plant have been finalized by December 31?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I would not like to say it is conditional, but it is hoped that the loan will be used to renovate and enlarge the facilities at Sysco in conjunction with possible assistance from my colleague, the Minister of Regional Economic Expansion.

* * *

AIR TRANSPORT

PURCHASE OF NORDAIR—RATIONALIZING OF REGIONAL AIR CARRIERS

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Minister of Transport. Can the minister tell the House what progress he has made in reprivatizing Nordair, and how is he coming along in fulfilling his commitment to rationalize regional air carriers?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, those two questions are receiving my continuing attention. I have no further statement to make in that regard at this time, and I think I should refrain from trying to describe the state of any discussions or negotiations until they are close to being completed.

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I wonder if the minister can confirm or at least take as notice a recent statement by one of his predecessors, former transport minister Lionel Chevrier, now the president of Quebecair, the gist of the statement being that Quebecair is confident of purchasing Nordair to accomplish the merger of these regional airlines.

It has also been suggested that Air Canada might be permitted to take over Nordair's Baffin Island, Arctic routes. Can the minister advise whether things have progressed as far as Mr. Chevrier suggests?

Mr. Lang: Mr. Speaker, I do not think I will change my earlier answer. I want to refrain from commenting on speculation or rumour. In the nature of things, a good deal of commercial sensitivity exists in relation to all these matters and I think it would be unwise for me to comment in an incomplete way.

POLICY RESPECTING REGIONAL AIR CARRIERS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wonder if the Minister of Transport can indicate to the House whether a new statement of government policy with respect to regional air carriers will be brought down before an announcement with respect to Nordair or before such rationalization of regional carriers takes place.

● (1432)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it is distinctly possible that there will be some further elaboration on the policy which was contained in the statement at the time of the announcement of the Nordair decision. There are a

number of other issues involving regional carriers which are moving before the Canadian Transport Commission. I believe it may be helpful to the commission if I elaborate somewhat on the statements contained in that announcement.

* * *

AGRICULTURE

COMPENSATION FOR CATTLE INFECTED WITH BRUCELLOSIS

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is directed to the Minister of Agriculture. Does the minister feel the recently announced increase in the compensation level for brucellosis is adequate to attain farmer co-operation, or would he consider bringing in legislation to tie that to a percentage replacement value for those cattle?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think it is adequate and the history shows it is adequate, because the brucellosis rate in Canada is now the lowest it has ever been in the history of cattle production in Canada. There are only three or four people who are really making complaints about it. It is the fairest system of any cattle producing country in the world.

Mr. Schellenberger: Mr. Speaker, since the Holstein Association, the Ayrshire Association and the Canadian Cattle Commission have indicated that this compensation is too low, will the minister instruct his department to consult with these people and perhaps take another look at it?

Mr. Whelan: Mr. Speaker, we could consult with them more, but I know there was consultation with them. I do know that these people know that no Holstein breeder, no Ayrshire breeder nor any other cattle breeder in the world is treated as fairly as the ones in Canada.

* * *

CUSTOMS

RELOCATION OF OTTAWA TRAINING SCHOOL

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, two days ago I addressed a question to the Minister of National Revenue and Minister of State for Small Business concerning the move of the customs training school. Has he now consulted his colleagues, various memos, and so forth? Can he tell us precisely what will happen to that proposal?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Yes, Mr. Speaker. I have ascertained that the school which is being prepared at Rigaud ultimately will be occupied, and that the school which is being used now on Walkley road will be discontinued. I understand this has been a plan of some long-standing. As soon as the arrangements are made, we expect that it will be quite satisfactory.

[Mr. Lang.]

Mr. Lambert (Edmonton West): Mr. Speaker, has the minister consulted closely with the President of the Treasury Board regarding this question? At this time, in a period of so-called restraint by the government, can he justify additional expenditures of close to $10 million in the foreseeable future caused by the occupation of these new facilities in 1979?

Mr. Abbott: No, Mr. Speaker, and I would dispute the sum mentioned by the hon. member.

* * *

URBAN AFFAIRS

DEFAULT RATE IN AHOP

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. Given the fact that from all reports the minister disagrees with our estimate that the default rate in AHOP is approaching 10 per cent, up from 8.1 per cent last March, is he now in a position to provide the House with accurate facts and figures to refute our estimates, or will he give us some more of his slipshod facts and figures?

[*Translation*]

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I doubt very much that the figures quoted by the hon. member are correct. I cannot understand why she says of our figures, which are official, that she cannot accept them and that they are—I did not understand too well the adjective she used in English to qualify them—but I in turn apply the same objective to her figures.

[*English*]

Mrs. Pigott: Mr. Speaker, the trouble with this minister—

Some hon. Members: Order.

Mr. Speaker: Order, please. Does the hon. member have a supplementary question?

Mrs. Pigott: As of March this year, 53,000 units under AHOP, or approximately $3 billion worth of real estate, were vacant and unsold.

Some hon. Members: Question.

Mrs. Pigott: Will the minister tell us what is the matter with his department that it has not addressed this problem? One of the worst things in management is that when one does not take action—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. McGrath: A supplementary question.

Mr. Speaker: The hon. member for Halton.

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

* * *

COMMUNICATIONS

INVITATIONS TO LAUNCHING OF ANIK B

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is directed to the hon. Minister of Communications and refers to a question raised by the hon. member for Annapolis Valley on December 14. The question implied that the minister took a group of over 100 people to Florida at government expense to attend the successful lauching of the Anik B satellite last Friday.

Would the minister say whether the figure as to the number of people attending is correct? If not, will the minister indicate what the true involvement was in the lauch by the minister and the Department of Communications?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I am not in a position to give the exact number of people who attended the launching of the satellite in Florida because those invitations were not handled by me but by the president of Telesat. The local papers in Cocoa Beach indicated that approximately 100 people attended the launching, and I would say that is about accurate.

These people came on their own and paid their own expenses. They included broadcasters and cable operators in great numbers—which I felt was an interesting development—potential customers and actual customers for the satellite, five provincial ministers, four of whom were Tories, and myself, of course.

Some hon. Members: Order.

Mrs. Sauvé: They thought it was an important event. Four officials of my department attended—

An hon. Member: Ten o'clock.

Mr. Speaker: Order, please.

* * *

REGIONAL ECONOMIC EXPANSION

REQUESTED SPECIAL ECONOMIC PROGRAM FOR NEWFOUNDLAND

Mr. Fonse Faour (Humber-St. George's-St. Barbe): Mr. Speaker, in the absence of the Minister of Regional Economic Expansion I will direct my question to the Minister of Finance. The consumer price index statistics released yesterday continue to indicate that the province of Newfoundland has the worst economic situation in the country. The city of St. John's showed the highest increase of all surveyed cities, with an astounding rate of inflation of 9.6 per cent over the past 12 months.

In view of the fact that the province has the highest inflation rate in the country, and that this becomes completely unacceptable when coupled with an intolerable level of unemployment, realistically, in the province, of approximately 25 per cent, will the minister accept the view that this is evidence enough to motivate him and the government to consider a special economic package for the province of Newfoundland as I have asked the minister repeatedly?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, as I said previously in reply to a question by the hon. member, most of the programs of the federal government are geared in order to help areas where there is slow growth, and in the last budget we made special provisions in the tax area in order to assist the developing areas of Canada to have a better break. I think it has been the concern of the government that the programs of Manpower, all the programs of Regional Economic Expansion, and so on, are directed toward helping solve the problems of slow growth areas.

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UNEMPLOYMENT INSURANCE

EFFECT ON NEWFOUNDLAND OF PROVISIONS OF BILL C-14

Mr. Fonse Faour (Humber-St. George's-St. Barbe): Mr. Speaker, obviously the minister is not hearing the question. I asked, in view of the latest statistics which show that the economic policies of the minister are not working in Newfoundland, would he consider this package?

My supplementary question is addressed to the Minister of Employment and Immigration. In view of these latest figures, will the minister and the government reconsider their proposals regarding Bill C-14 and exempt Newfoundland from its application, as it will only contribute to an already intolerable situation?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I am surprised that the new member is accentuating some of the things which he sees as negative and is not pointing out that the Stephenville linerboard factory benefits to the extent of $13.5 million. It will create permanent jobs, and that is what we want.

Some hon. Members: Hear, hear!

* * *

AIRPORTS

CLOSING OF CERTAIN AIRPORT TOWERS FROM MIDNIGHT TO 6 A.M.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is directed to the Minister of Transport: it arises out of his announced intention to close down between

midnight and 6 a.m. the tower services at most of the principal airports in Canada.

In light of the increasing usage of those services between midnight and 6 a.m. by domestic mainline carriers for air cargo purposes, and the increasing demand respecting Nighthawk flights, in the interests of safety will the minister review his decision so that these airports do not become potential Cranbrooks?

● (1442)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the closing of towers during certain hours was in the form of a proposal for discussion put before the various participants in the air industry. It was designed to save significant amounts of money if it developed that those services were not required for real reasons of safety or other aspects of operation.

I have been reviewing very closely the evidence and the comments of all the participants in the discussion and very soon an announcement will be made on the final outcome. I have no doubt that some of the closings which we had indicated will take place, but others are being considered carefully in the light of possible need.

Mr. Forrestall: Mr. Speaker, do I understand from the minister's response that consideration is being given to extending beyond eight the number of airports that will be closed down?

There are approximately 35 to 40 departures during those night hours from Edmonton; there are virtually no departures from Calgary. Has this situation been taken into consideration? What happens when we select an NFA and have to move it to Gander so it can fly over the water for military mission purposes?

Mr. Lang: Mr. Speaker, essentially the airports selected for examination were selected after people who were knowledgeable about air travel and air safety were convinced that the service was not, in fact, required and that all the necessary airline activities and air operations could take place perfectly well with the facilities which would still be there and available, even without the on-duty control service. That exact question is one which came under some argument among the various participants in the airline industry and when I make my final decision on which points will have service and which will not, those comments will be taken into account.

* * *

DAIRYING

PAYMENT FORMULA FOR INDUSTRIAL MILK

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. The milk payment formula for industrial milk has a triggering mechanism to allow for an increase in payment, and in October allowed for a 52-cent increase. Would the minister tell the House why that payment has not been made so far, and when it will be made?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this question has been asked several times by several members in the House of Commons. Taking into consideration the season which is about to come upon us, and in the true Christmas spirit, I would say very, very soon.

Mr. Dick: Mr. Speaker, I understand that although the discretion lies with the Dairy Commission, some provinces felt that it should be made sooner, other provinces felt that it should be made later. Will the payment be coming, as the minister has indicated it will, in the festive season, or close to it, in one lump sum or will it be split in two parts—one part now and one part later?

Mr. Whelan: Mr. Speaker, the hon. member will have to wait. I do not know if he will have to wait until Christmas morning, but he will have to wait a few hours or days longer.

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SHIPPING

PILOTAGE RATES FOR SMALL VESSELS

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is to the Minister of Transport. In connection with the present inflation rate, the Prime Minister said yesterday, "in times like these, Canadians should exercise a measure of restraint".

I assume that the minister is aware of the fact that the Atlantic Pilotage Authority, a federal Crown corporation, has just received permission from the Canadian Transport Commission to increase pilotage rates for small vessels by 62 per cent, for medium vessels by 30 per cent and for larger vessels by 18 per cent.

An hon. Member: Put the question.

Mr. Crosbie: I am coming to the question. Will the minister exercise restraint on this body and instruct them not to put these gigantic increases into effect which will drive away shipping in the Atlantic provinces, and will he assure the House that the government will provide whatever revenue is necessary, as they have been doing? This will be the fourth increase since this body was set up in 1972. What action has the minister proposed to stop this extraordinary increase?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have not yet seen the CTC decision and my first course of action would be to look at it.

Mr. Crosbie: Mr. Speaker, this was reported in the press about three days ago. The minister is taking his time in looking at these decisions.

The minister said last June, in response to a question, that he was not satisfied with the present pilotage structure and that he was thinking of a new act. There have been other

suggestions—that the number of ports subject to compulsory pilotage fees be reduced and that smaller foreign vessels entering Atlantic ports be allowed to do so without using pilots. If this is not done, it will have the effect of driving away foreign fishing vessels from St. John's and other ports.

Will the minister assure the House that he will consider these provisions and that he does not intend just to allow this increase to go into effect without taking some measures to alleviate the expense, particularly in view of the Prime Minister's statement?

Mr. Lang: Mr. Speaker, I will be very interested in analysing the CTC judgment to see whether the costs facing the Pilotage Authority were the basis for the increase in charges. The whole question of pilotage and the appropriate relationship between the minister, this House and the Pilotage Authority is something which I have been reviewing, and I do believe there is need for change. I will be looking forward to the opportunity of bringing in legislation on the subject in the future.

* * *

SCIENCE AND TECHNOLOGY

VIVISECTION OF ANIMALS FOR EXPERIMENTAL PURPOSES

Mr. Marke Raines (Burnaby-Seymour): Mr. Speaker, my question is for the Minister of State for Science and Technology, if I could have his attention. In October, 1978, the United Nations passed a universal declaration on the rights of animals. Article 14 of this document stipulates that "animals must not be used for scientific experiments which cause them suffering".

In view of that fact, will this government, and especially the Minister of State for Science and Technology, take the lead in this country and not grant money to researchers who do use live animals in their laboratories.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I am not familiar with the particular report to which the hon. member refers. Obviously, live animals are an important technique in research, and I am certainly in no position to give any undertaking that we will make no grants to institutes which use live animals.

Mr. Paproski: Use Liberals.

* * *

CRIMINAL CODE

AMENDMENTS RESPECTING SEXUAL OFFENCES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask a question of the Minister of Justice. In the last session, the government introduced two bills, C-51 and C-52. Bill C-51 was reintroduced as Bill C-21 in this session and deals with obscenity, pornography and many other items.

I would like to ask the minister, not only in his capacity as Minister of Justice but in his capacity with regard to the status of women, whether he intends to reintroduce Bill C-52 which, in effect, repealed the definition of rape and defined it as indecent assault or aggravated indecent assault. Is the minister bringing this bill back before the House, or has he changed the policy with reference to this matter which was introduced by the former minister of justice, the hon. member for Vancouver Centre?

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, since the tabling of this bill between the last session and now I have received a number of representations from women's organizations and other groups as to possible improvements in that particular bill. In addition, we have received the report from the Law Reform Commission covering all sexual offences.

I have asked my department to review that particular report and assess its various recommendations. My inclination is to introduce amendments to the Criminal Code which would cover all sexual offences, and not just the offence of rape as it does at the present time.

Mr. Woolliams: Mr. Speaker, in light of the fact that the minister is studying the report of the Law Reform Commission which, as I understand it, recommends that we legalize or decriminalize—whatever way you want to put it—the offences of incest and bestiality, does he intend to write this into his new bill and follow the recommendations in that regard?

Mr. Lalonde: Mr. Speaker, I said that I had asked my officials to assess all the recommendations. At first reading, I can tell the hon. member now, I would not at the present time support an amendment of the Code regarding incest.

* * *

● (1452)

AIR TRANSPORT

CIVIL AVIATION INSPECTORS WITHOUT CONTRACT

Mr. Ron Huntington (Capilano): Mr. Speaker, my question is directed to the Minister of Transport. In light of the fact that he has information which is circulating dealing with pilot shortages in Canada, coupled with the fact that civil aviation inspectors in Canada are now paid less than even traffic controllers, military pilots and their equivalents in other countries, will the Minister of Transport explain to us why this important group of professionals has been without a contract since 1975?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there have been difficulties and disputes involving the collective bargaining process: that is the reason nothing more satisfactory has been arrived at. I share the hon. member's view that this is a very important group.

Mr. Huntington: My supplementary question is directed to the same minister. History tells us this goverment will move decisively when there is a crisis.

Some hon. Members: Hear, hear!

Mr. Huntington: In light of the fact that 75 per cent of the major air regulation infractions committed in Canada in 1978 have not been processed, will the minister tell us what he is waiting for, vaporization of the civil aviation inspectors, the air operations group, withdrawal of their service, or another major air crash?

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ENVIRONMENTAL AFFAIRS

POLICY ON SUPERTANKERS PLYING CANADIAN WATERS

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of State for the Environment. In light of the announcement by the U.S. environmental protection agency that approval will be given for the building of a supertanker port at Eastport, Maine, would the minister state whether he raised with his U.S. counterparts the issue of supertankers being allowed to travel to Eastport in Canadian waters along the New Brunswick coast, where difficult navigational hazards pose the risk of oil spills? Is the Canadian government still opposed to having supertankers travel in Canadian waters to reach Eastport?

Hon. Len Marchand (Minister of State (Environment)): Mr. Speaker, the Canadian goverment is still opposed to this project. We will wait until this particular project goes through the regulatory process of the U.S. government before we make any moves. This is a matter with which perhaps my colleague, the Secretary of State for External Affairs, is more in tune with after talking with his colleagues in the United States, but we in Environment Canada remain definitely opposed to it and will continue to oppose it.

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PUBLIC WORKS

GOVERNMENT REACTION TO HIGGINS REPORT

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Minister of Public Works: it concerns the Higgins report which, according to the information which my office has obtained, has not yet been made public.

The author of the report, Professor Higgins, in a presentation to the committee of the other place recently quoted some parts of it, that is, that he would recommend to the Department of Public Works that they should forget all about British Columbia, Alberta and Ontario and channel all their spending to Quebec and the Atlantic provinces. I should like to ask the minister if we can consider that to be the policy of his department in the future.

[Mr. Lang.]

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I am fully aware of the study made by the professor, but I can assure the hon. member that that is not government policy.

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EXTERNAL AFFAIRS

SALE OF NUCLEAR REACTOR TO TAIWAN

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Secretary of State for External Affairs. It follows on the question asked yesterday by the hon. member for Greenwood, in reply to which the minister said that the NRX research reactor in Taiwan has been under IAEA inspection ever since the ending of diplomatic relations between Canada and Taiwan.

Since it is my understanding that the United States took over international inspection following the break-off of diplomatic recognition between this country and Taiwan when Taiwan was no longer recognized by the UN, and since the agreement with the IAEA is no longer in force, would the minister say whether or not the Canadian government has made a new arrangement for the inspection of the nuclear research reactor in Taiwan to ensure that there is no opportunity for a recurrence of a situation such as developed in India with a similar research reactor?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): The hon. member will appreciate that, once again, as with all these complex questions, it is difficult to cover all the elements in an oral answer.

Yes, we have made some inquiries since the announcement of the weekend with regard to the change of status of the U.S.-Taiwan relationship and there has, indeed, been a report that the Taiwan assistant foreign minister has, in these last days, recalled that Taiwan is a party to the Non-Proliferation Treaty and has therefore pledged not to manufacture nuclear weapons. Another piece of information is that Taiwan ratified the NPT on January 27, 1970, and this reinforces the answer which I gave yesterday.

Obviously, the situation is changing to some degree and we do not have a definitive answer at the moment as to how, for example, IAEA safeguards will be supervised under the new arrangements, but as soon as I have that information I will be glad to pass it on to the House. I might conclude by saying that I think I understood the hon. member to say that it was not under IAEA safeguards. The information I have is that the IAEA safeguards are in place and are subject to IAEA inspections.

Miss MacDonald: I would like to ask the Secretary of State for External Affairs whether, when referring to the IAEA safeguards, he is telling the House that the IAEA agreement between that body and Taiwan is still in force. Is he giving the House that kind of information, because that is the important

assurance that would have to be sought and our information is to the contrary?

Mr. Jamieson: Mr. Speaker, quite frankly, the hon. member's information might be more up to date than mine, and that is why I do not want to give an off-the-cuff answer until I am perfectly clear. As I understand it, to try to be as forthcoming as possible, the IAEA safeguards are in effect and the government of Taiwan, even since the weekend, has indicated that it is prepared to accept them.

I repeat that that is not a formal declaration on paper or anything I can show the House. If the hon. member does have it—and I say it in all sincerity—I would be glad to hear from what source she has that information, if it is as new as she suggests.

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CENTRAL MORTGAGE AND HOUSING CORPORATION

COMMUNITY SERVICES PROGRAM—SIGNING OF AGREEMENT WITH ONTARIO

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Public Works who is responsible for CMHC. In view of his recent announcement of the community services program which will provide some $400 million for vital municipal infrastructure programs such as sewer, water and community facilities, how soon will he actually be signing an agreement with the province of Ontario, and will there be an allocation of these funds to municipalities so they will be able to get on with the planning of these important municipal structures for 1979?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I had preliminary discussions with the government of Ontario earlier this week. I met the minister responsible for housing and municipal affairs of Ontario. We are supposed to meet again in the early days of the new year and I hope the province of Ontario will benefit from the community services program in 1979.

* * *

EXTERNAL AFFAIRS

NEGOTIATIONS WITH UNITED STATES ON FISHING BOUNDARIES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question to the Secretary of State for External Affairs concerns the report yesterday that negotiations on boundaries and fishing zones broke off as of last Friday. The report says that these negotiations will continue in the new year.

The minister indicated to me earlier in the House that if these issues were not resolved this year, they would be taken to the ministerial level and there would be direct negotiations between the minister and his U.S. counterpart on the unresolved questions. My question is: what arrangements has the minister made for direct negotiations with his counterpart in the United States to resolve what appears to be an unresolved negotiation?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I think the operative words here are "what appears to be". I do not know where the report came from: it certainly did not come from me and I assume it did not come from the U.S. Secretary of State. Therefore, unless it did come from one or the other of those sources, it is not formal or final that the negotiations have broken off.

However, even on the hypothesis that they have broken off, that is not inconsistent with what I said earlier. By the end of the year we will have received a report from the negotiators as to the state of the negotiations at that point. Following that, Mr. Vance and myself will discuss the second part of the hon. member's question, namely, how the negotiations will proceed from there.

* * *

• (1502)

PRIVILEGE

MR. PETERS—INDIVIDUAL'S GRIEVANCE

Mr. Speaker: Order, please. I have a rather unique notice of a question of privilege from the hon. member for Timiskaming (Mr. Peters). I am rather anxious to hear how he can relate this to anything to do with the procedures of the House.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I sent you notice under Section 17(2) of the standing orders of a question of privilege which, I believe, affects all members of this House. On several occasions I have raised a problem that confronts me as a member of parliament, and all other members, and have asked the House to do something about it. The problem is that one of our citizens is spending considerable time in front of the parliament buildings asking for relief from this institution.

I asked for advice, Mr. Speaker. I am given to understand that we have a privilege that goes back quite a way. It predates the Knowles parliamentary procedures and goes back to Erskine May's Parliamentary Practice, nineteenth edition.

This affects all members of the House. On several occasions we have made the request that this matter be handled in the House. The nineteenth edition of Erskine May's Parliamentary Practice, chapter IX, page 120, under the heading "Power of Both Houses to Secure Attendance of Persons on Matters of Privilege", has the following to say:

> The House of Commons has the power to send for persons whose conduct has been brought before the House on a matter of privilege by an order for their attendance, without specifying in the order the object or the causes whereon their attendance is required (e); and in obedience to the order members attend in their places, and other persons at the Bar.

This came about a long time ago. It is indicated that the origin of a power which is judicial in nature is to be found, naturally, in the medieval conception of parliament as primari-

ly a court of justice—the high court of parliament. We have often heard it said in this House that this is the high court of the country, that this is the last court, the court of last resort. It must, therefore, be a court of last resort for persons who wish to air a grievance or bring before parliament and the country something that they feel very strongly about when they are not in a position to petition in the normal sense.

As I am sure most other members of this House feel, I am a member of that court of last resort—

Mr. Speaker: Order, please. If the hon. member is attempting to develop the thesis in some way that he ought to help someone redress their grievance by bringing them before the Bar of the House to air that grievance, I am sure he will understand that while he may have some substantive way to bring that about, it does not affect the privileges of the members of the House of Commons.

I have to be reasonable, and I have given the hon. member a few minutes to develop that question of privilege as we know it in the House in its classic definition. I think he will have to agree with me that while he has a very imaginative approach to try to help someone with their problem, I do not think there is any way he can fit it within the bounds of privilege as we know it.

I wish the hon. member the best of luck in trying to bring this forward under what other procedural grounds he may pursue.

MR. NYSTROM—ANSWER GIVEN BY MINISTER OF FINANCE DURING QUESTION PERIOD

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question of privilege arises from an answer given to me today by the Minister of Finance (Mr. Chrétien) during question period. I am sure he did not mean to mislead the House intentionally but he said that this party was advocating the reintroduction of controls. In that he is misleading the House, although I am sure not intentionally so.

I want to point out that yesterday in the House I put the following question to the Prime Minister (Mr. Trudeau) as reported at page 2254 of *Hansard*:

In light of some speculation that wage controls might be brought in, and in light of the Prime Minister's words on this at the first ministers' conference, can he assure us we will not see any wage controls in 1979, so that the Canadian worker will at least have a chance to catch up to the cost of living?

A supplementary question I put repeated basically the same thing at page 2255 when I asked the Prime Minister, in part:

—can the Prime Minister assure us there will be no implementation of wage controls until workers at least catch up to the increased cost of living?

My question today arose from a study that was just produced by CSIP, a government agency, that complained that profits were too high. I wanted the Minister of Finance to assure us that there would be some equity and that companies would be asked to restrain their prices. In no way did we suggest the government should bring back wage and price controls.

[Mr. Peters.]

ROUTINE PROCEEDINGS

[*English*]

NORTHERN PIPELINES

First report of Standing Committee on Northern Pipelines—Mr. Foster.

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DRUGS

MEASURE RESPECTING USE OF MARIJUANA

Mr. Stuart Leggatt (New Westminster) moved for leave to introduce Bill C-449, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code.

Some hon. Members: Explain.

Mr. Leggatt: Mr. Speaker, the purpose of this bill is to reintroduce essentially the same legislation that the government introduced several years ago dealing with the drug marijuana.

In effect, the bill would remove the drug marijuana from the Narcotic Control Act and place it under the Food and Drugs Act. It would also change the penalties very substantially, particularly in terms of importation of the drug which at the present time carries a minimum sentence of seven years for any person carrying the drug marijuana, in whatever quantity, across the Canadian border. This would simply civilize marijuana legislation.

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

* * *

CRIMINAL CODE

AMENDMENT RESPECTING ABORTION

Mr. Stuart Leggatt (New Westminster) moved for leave to introduce Bill C-450, to amend the Criminal Code (abortion).

Some hon. Members: Explain.

Mr. Leggatt: Mr. Speaker, the purpose of this bill is quite simply to remove the subject of abortion from the Criminal Code and leave it as a matter to be closely regulated by the individual's conscience and by the medical profession. In a pluralistic society such as Canada it is inevitable—

Mr. Speaker: Order. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. MacEachen: No.

Mr. Speaker: Carried.

Some hon. Members: Oh, oh!

Mr. Speaker: Shall I record it as carried on division?

Some hon. Members: No.

Mr. Speaker: Carried.

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

* * *

PUBLIC SERVICE EMPLOYMENT ACT

AMENDMENT RESPECTING CONFIDENTIALITY OF INFORMATION

Mr. Stuart Leggatt (New Westminster) moved for leave to introduce Bill C-451, to amend the Public Service Employment Act (oaths and confidential information).

Some hon. Members: Explain.

Mr. Leggatt: Mr. Speaker, the purpose of this bill is that, in view of the increased demand for more open government in Canada, it would facilitate the flow of confidential and non-confidential information both within the public service and between the public service and the general public. Existing legislation places a specific responsibility on public servants at all levels to withhold any and all information that is marked "confidential". This bill makes a distinction between confidential and non-confidential information and job capacities, and implicitly requires the government to define more clearly the word "confidential" which is used liberally throughout the Revised Statutes of Canada.

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

* * *

Mr. Leggatt: Mr. Speaker, on a point of order which arises from the introduction for first reading of a bill which dealt with an amendment to the Criminal Code on abortion, I was not clear on your ruling as to whether the bill was received on division for first reading or whether it was received unanimously on first reading.

Mr. Speaker: Order, please. The motion has been carried.

* * *

• (1512)

GOVERNMENT ORGANIZATION ACT, 1978

DEPARTMENTS AND AGENCIES

Hon. Allan J. MacEachen (for the Prime Minister) moved for leave to introduce Bill C-35, respecting the organization of the Government of Canada and matters related or incidental thereto.

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

Allotment of Time for Bill C-14

BUSINESS OF THE HOUSE

PROPOSED LIMITATION ON REPORT AND THIRD READING STAGES OF BILL C-14

Hon. Bud Cullen (Minister of Employment and Immigration) moved:

That, in relation to Bill C-14, an act to amend the Unemployment Insurance Act, 1971, one sitting day shall be allotted to the further consideration of the report stage of the said bill and one sitting day shall be allotted to the third reading stage of the said Bill; and

That, not later than fifteen minutes before the expiry of the time provided for government business in each such sitting, any proceeding before the House shall be interrupted, if required, for the purpose of this order and, in turn, every question then necessary in order to dispose of the report stage or third reading stage, as the case may be, of the said bill shall be put forthwith and successively, without further debate or amendment.

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre (Mr. Knowles) yesterday gave the Chair notice of his intention to raise, by point of order, the question of whether such a motion is able to deal with both the report stage and third reading of this bill in the way it has. I indicated to him I would examine the language of the Standing Order and the precedents. It is a practice which has been followed in respect of the same or similar language in Standing Order 75A as he knows, but not in respect of Standing Order 75B.

The language of Standing Order 75C does make specific reference to the inclusion of report stage and third reading, and it describes it specifically that way. I would, therefore, have some difficulty in interpreting that language in such a way as to prevent it from being done, particularly in view of the fact that a two-hour debate is provided during which the government may be freely criticized, as I am sure it will, for the use of the Standing Order. That is a separate question, as to whether it can be criticized or not, from the procedural right of the government to put the motion in this way. However, I am now prepared to hear the hon. member on his point of order.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when I raised the matter yesterday you suggested it would be better if I were to do so today rather than yesterday, as I was prepared to do.

I realize that one rule which some persons follow in debate is never to admit there is any difficulty with your argument, but to insist that your case is watertight, ironclad, and all that. I am quite prepared to admit at the start that the wording in 75C does present some difficulty in respect of the point of order that I present for your consideration. However, I suggest there are times when what the House is about to do is so repugnant to the practices, precedents and traditions of this place that it should stop and take a look at it to see whether it is in order.

I said yesterday that if this motion were to cover two stages in a closure motion under 75C it would be the first time in the nine or ten years we have had this rule that it has been done. I have done some checking in the meantime. I have not read every page of *Hansard* and every page of the *Journals* back to

1867, but I have done enough checking that I am in a position to say to Your Honour that if you do find you have to put this motion you will be the first Speaker in history to put before the House of Commons a motion for closure on a stage of debate that has not yet been reached.

We have had lots of motions for closure over the years. We have had House orders by agreements that were achieved before a debate started, but we have never had, by the use of the government's majority, a motion to set time limits on a debate before the debate at that stage had even been reached.

I point out that prior to 1913 there was no closure rule in the Standing Orders of the House Commons, but that in in 1913 we got such a rule. It was brought in by the Conservative government at that time, with the Liberals strongly opposing it. But, sir, even that rule which was brought in in 1913, about which I could say a good deal, had in it a provision that it was not to be used until there had been some debate on the stage in question.

That rule was badly abused by the Right Hon. C. D. Howe in 1956. There were times when some debate consisted only of a sentence or two. At any rate that is the tradition, the principle, and the spirit of closure in the Parliament of Canada. You do not use the government's majority to apply closure until there has been some debate. You do not anticipate the application of closure a day or two ahead, as this motion does in respect of the third reading of this bill.

As I say, we have a rule that limits debate to eight days on the throne speech before it starts, but that rule was agreed to, and we have a rule in respect of the budget debate being only six days after it starts. I have not been able to find any case where, by the use of the government's majority, a motion was passed before a debate started on a particular stage, prior to the one that is before us at this time. I feel this should be looked at very carefully before we proceed with it.

You may say to me, Mr. Speaker, that is good rhetoric, good philosophy, and so on, but then ask what we are going to do about the wording of the Standing Order. The wording that does present a problem, and I put that right on top of the table, is the phrase:

—an allocation may be proposed in one motion to cover the proceedings at both the report and the third reading stages on a bill if that motion is consistent with the provisions of Standing Order 75(13).

Standing Order 75(13) is the order that says that third reading cannot be called on the same day on which the report stage was under debate. Therefore, it might be argued that in a sense there is consistency, although it seems to me there is a vagueness in Standing Order 75(13) that is not really covered by this provision.

May I point out that there are some things that are distinctive about Standing Order 75C as opposed to 75A and 75B, which tell us that about which we ought to be concerned. Neither 75A nor 75B requires any notice. They are motions that can be made by a minister without notice, because in the one case there is unanimous consent among parties, or in the other case there is majority consent. Standing Order 75B has never been used. I do not know whether we have used 75A as such, but we have conformed to the spirit of 75A a number of times.

It is quite clear that when there is unanimous agreement or majority agreement you can do certain things that you cannot do when you are acting unilaterally under 75C. Standing Order 75C is distinct from the others in that it requires notice to have been given and, of course, that notice was given yesterday.

You will also note, sir, that there is nowhere in 75A or 75B any reference to proceedings that had already started. There is no requirement under 75A or 75B that the motion be put after the debate is under way. In other words, what the minister is trying to do in respect of the third reading stage could be done under 75A or 75B, but those are motions in respect of which there is either total agreement or majority agreement.

• (1522)

On the other hand, 75C makes a special point of the fact that an order under it is in respect of proceedings at the stage at which a public bill was then under consideration. In other words, if you are going to act under 75C, you are back to the traditions of a century of this parliament, namely, that you do not impose closure on something unless there has been some debate. That is there. I know there is the exception when we get down to it. However, there is also to be noted in all of this that it says there shall be only the one stage of a motion.

We then come to this exception. I have to admit that the words are clear. However, I submit that this rule has never been tested and that it in itself is inconsistent. On the one hand, it says there can be only one stage. It says there cannot be a motion respecting a stage on which there has yet been no debate. Then it turns around and says you can do the very things that the first part of the motion says cannot be done.

I went back to look at the origin of 75A, 75B and 75C. I have a pretty good memory of it, but I did not trust my memory. I had the feeling there was a report from the committee which brought in the rules in 1960 and that that report had some philosophizing in it that might be of help to me.

When I looked, I realized the case was that the rule changes that were debated in December, 1968, were brought before the House after reference to a committee. It was not today's standing committee but a special committee. The whole subject was referred to that special committee. It brought in a report with some philosophy and rationale in it.

The report had some nice things in it to the effect that although the government has to have certain powers to control the business of the House, there has to be co-operation. That was the philosophy behind what was rule 16A in the report that we debated in December, 1968. Rule 16A was withdrawn. That was part of the price for getting that report through.

Mr. MacEachen: We did not bring in closure then.

Mr. Knowles (Winnipeg North Centre): Closure came in July, 1969. The minister is aware of what I am talking about, I

trust. In June, 1969, when 75A, B and C were brought in, they were not brought in as a result of a reference to a committee, or committee study of any kind. They appeared on the order paper as a government notice of motion under the name of Mr. McIlraith who was government House leader at that time.

Standing Orders 75A, B and C did not come out of a committee initially. They were not referred to a committee. The whole question of their integrity, their holding together, is really at stake. The reason I think it is fair to ask Your Honour to look at this today is because this is the first time this provision has been tested.

I suppose it was an oversight or a mistake, but in the requirement for a 75B, there must be agreement among the majority of the House representatives. It does not say a majority including the government House leader. We have had two or three occasions when we on the opposition side of the House have said that the three of us were prepared to agree to something but the government House leader was not prepared to do so. The result was, of course, that the government would not use 75B and then could not use 75C. I cite that merely to point out there is that technical error in 75B which is part of the package we dealt with in June and July, 1969.

I submit that the provision in 75C that says you shall apply closure only to a matter that has been under consideration and you shall not apply closure to two stages at a time is contradicted by the later phrase. That contradiction makes the whole order invalid on that point.

I repeat what I said at the beginning. This is the first time it has been tested or tried. Never before has there been an attempt to move two stages under 75C. Although we have had the rule since July, 1969, although we have had closure around this place since 1913 and problems since 1867, surely it is a serious matter if today we have a motion allowed and put to this House which permits the government, by the use of its majority, to decide before there has been any debate whatsoever that closure is to be applied.

As I say, my late friend C. D. Howe abused this very badly in 1956. The rule required that closure could not be used unless there had been debate. I remember very well when we got into committee and Mr. Howe stood up on the clauses of the bill. Clause 1 was called, he read out the marginal note and asked us to move on to clause 2. He read the marginal note on clause 2 and asked us to move on to clause 3. He did that right through the bill. Then the government argued there had been debate at the committee stage of that pipeline bill and therefore it was able to apply the closure rule. I argued that that was a ghastly abuse. However, it at least demonstrated that the principle, philosophy, and whole idea behind the practice of closure are that in our parliament you only do it after there has been a debate.

I emphasize that rule 75C did not have any committee consideration. It was a very contentious debate. The Liberals, much to their annoyance, were kept here all the month of July and finally had it put through under closure. Instead of the use of this being allowed today, which established a very serious precedent, and there is no telling what will go on from here on in, the government should be allowed to put only the one stage, and the question of the inconsistency and invalidity of Standing Order 75C ought to be referred to the Standing Committee on Procedure and Organization.

That, Mr. Speaker, is my case. I know from the way you spoke yesterday, and the way you spoke just now, you think that the words are such that there is no argument. I have great respect for words and what they say. However, 75C is in such a mess that I believe it is improper and out of order for the government to use it in this way. It has never been done before.

We have never had a motion put from the Chair for closure on a debate that has not yet started. For that to happen today would be a retrograde step. I hope Your Honour will ask the minister to amend the motion to let it apply only to the report stage, and deal with the other later.

I am not at this point arguing about the use of closure, the length of time allotted and all of that. We can deal with that in the other debate. However, in terms of 111 years of history in this place, what is being proposed today is not only repugnant but is essentially out of order.

Mr. Speaker: As I indicated to the hon. member before, I examined carefully the language of the Standing Order. I would have more sympathy for his argument if he were addressing himself to an application of this order in respect to two stages of a bill if they were not specifically mentioned. The language of the rule is specific. It does not simply say in a sentence that more than one stage may be covered by this kind of order. It states in very specific terms, that I simply cannot get around, and I quote:

—provided that for the purposes of this Standing Order an allocation may be proposed in one motion to cover the proceedings at both the report and the third reading stages of a bill—

That language is so clear and so specific that I have to believe that the drafters of that Standing Order, and of course the hon. member and I were both members of that committee—

Mr. Knowles (Winnipeg North Centre): No, no. That was brought in by the government.

● (1532)

Mr. Speaker: The hon. member is correct. But he and I were both members of the committee which examined the Standing Order. The committee did not necessarily put the Standing Order before the House, but we were both members of that committee. I was not attempting to associate him with the draftsmanship of the paragraph. I did not mean to do that. However, the origin of the Standing Order is not at the moment material to the argument. The fact is that that language is in the Standing Order. I again refer to the language:

—provided that for the purposes of this Standing Order an allocation may be proposed in one motion to cover the proceedings at both the report and third reading stages on a bill if that motion is consistant with the provisions of Standing Order 75(13).

Standing Order 75(13) protects the right of the House to insist that report stage and third reading not be taken on the same day. This motion is not repugnant to that clause and therefore I have to say that the motion is clearly within the terms of the Standing Order.

I wish to add just one other note. The hon. member spent a great deal of time on the subject of closure which, as he well knows, is covered by Standing Order 33 and which is, in fact, a motion to terminate debate at a stage on which the House must have launched itself. The fundamental difference between that Standing Order, which has been on the books much longer than this Order, is that this order is for time allocation which, in its fundamental terms, is a different exercise. Closure, of course, is an exercise terminating a debate which has already begun.

Time allocation has the fundamental difference of attempting to prescribe time for debate in advance, and obviously, in its very nature, has as part of it the ability of the House to program its time in advance, and in Standing Order 75A this is done by agreement. In Standing Order 75B it is done after a majority of the House leaders have agreed. In Standing Order 75C it can be done in a different way if these agreements have broken down. Now, whether the hon. member agrees with that or not, he can address himself to that subject in a few moments when the debate begins. But the language of the Standing Order has as its intention the advance programming of time, which is fundamentally different from closure as dealt with in Standing Order 33, and I certainly have to take this into account in examining whether the order is doing what it is intended to do.

The second thing is that the clear language of the order leaves me with no other choice but to rule that as the order stands at the present time, which is all I can deal with, the motion is perfectly in order. Therefore, the question is now—

An hon. Member: On a point of order, Mr. Speaker—

Mr. Speaker: Order. The question is on the motion (Mr. Cullen).

Mr. Rodriguez: On a point of order Mr. Speaker, in the light of the draconian nature of the measure which is being introduced, I move that this House do now adjourn.

Mr. Speaker: The hon. member will realize that he has to have the floor in order to move such a motion. The hon. Minister of Employment and Immigration.

Mr. Cullen: Mr. Speaker, I find it somewhat incongruous that while the opposition parties regard the filibuster as a legitimate parliamentary tactic, there is a tendency to heap scorn on the fact that there is a party with a majority in parliament which, having been unable to negotiate time allocation with the other parties after trying to do so, then sees fit to try to use a rule of parliament—Standing Order 75C—to bring about time allocation for the passage of a bill or for different stages of that bill.

[Mr. Speaker.]

In committee the New Democratic Party predicted that the government would bring in time allocation. The New Democratic Party indicated they fully expected this would be done. But just to be sure, and knowing the practicality of the situation, knowing that it was our intention to adjourn the House to enable us to be home for Christmas and to see our constituents during the month of January, just to assure that the government would bring in time allocation under 75C, the New Democratic Party brought forward a whole series of amendments which it knew full well could not be dealt with in the ordinary course of debate. Mr. Speaker, the New Democratic Party did everything they could to guarantee that the government would be forced to use 75C in the interest of getting this bill passed.

Last night the hon. member for St. John's West (Mr. Crosbie) spoke somewhat longingly of his hope that his party would form the government after the next election. Mr. Speaker, that is not going to happen because I am satisfied the people of Canada will not give a mandate to any party which suggests it will negotiate sovereignty association.

Some hon. Members: Hear, hear!

Mr. Cullen: Nevertheless, in the very improbable case that this might happen, I wonder if members of the official opposition are prepared to get up in their places today and say that should they form the government they would remove Standing Order 75C from the rules of the House. I suspect they will not agree to do that.

I had, frankly, hoped for a full and open debate on the ideas to be presented by the parties opposite. To the credit of the official opposition they recognized the limited time which was available to us prior to the recess. The government had indicated that this was a priority bill and that we were going to seek to have it passed before the recess. Given that position they got together, despite all the amendments they might have liked to have moved, and came forward with two or three amendments. There would have been time to debate those amendments, and I believe we could have had a good debate.

I think we could have benefited from some of the ideas I heard in committee and which I feel should have been brought forward either at the report or third reading stage. But the New Democratic Party made this impossible, Mr. Speaker. I wanted to hear some of the views expressed. I did hear some of them expressed by the New Democratic Party at the committee stage—hour after hour after hour of the same argument on different amendments. The argument was the same, running through some 35 meetings of that committee. There were 11 meetings a week, and over and over again we heard the same shallow and not very convincing arguments.

In an earlier session of this parliament it was my privilege to pilot through two pieces of legislation—Bill C-24 and Bill C-27. We had good debate on those bills and made many changes. Some of them were suggested by the New Democratic Party, some by the official opposition, and some by our own members. Some of them were suggested by the government in cases where we wished to make some correction or smooth out

some of the rough edges of the bills. But we had a good debate because people took their responsibilities seriously and recognized we were trying to make improvements. That is the kind of debate which makes parliament great. But bringing in 25 or 27 amendments at the last minute is really not a sincere attempt at holding honest debate on a tough piece of legislation.

Some hon. Members: Hear, hear!

Mr. Cullen: Mr. Speaker, I looked for something at the report stage which might be new. Or I looked for some evidence that the New Democratic Party might have said, "Well, we're not going to change this bill. The government has decided it will put the bill through so we are going to concentrate on a couple of areas to make our point." But they haven't done that. These are exactly the same amendments as were argued at the committee stage. They have already been debated, and members of the official opposition will confirm what I say, as will my own hon. friends. We have had long debate on every one of the amendments put forward by the New Democratic Party—nothing at all is new in these amendments. Those amendments were voted down, sometimes by government members, and sometimes by opposition members joining with government members. Surely there could have been a focus.

● (1542)

I think members of the New Democratic Party have done the people of Canada a disservice by taking this stubborn, stupid attitude and by bringing in so many amendments. They knew we could not have a good debate in the House at report stage or at third reading stage.

I make no apologies whatsoever for using Standing Order 75C. That is a rule which parliament has adopted. It is meant to be used when arrangements or agreements cannot be made with opposition parties. I recognize that there is a filibuster. I saw it at the committee stage, and I have seen it here in the House. That is a parliamentary tactic. I do not like it, but it is a tactic all three opposition parties use very effectively. However, if that is a legitimate tactic when nothing is written about it in the rules, surely it is legitimate to use Standing Order 75C when a party in power has a majority and says it wants to put a bill forward. The rules make provision for that.

Mr. Symes: Where are your Atlantic Canada members?

Mr. Cullen: I hear rumbles. "Where are your Atlantic Canada members?" I made my announcement in September. Atlantic members of my party were quick off the mark to say that the way we intended to bring in the repeater section and the new entrant and re-entrant sections was too tough and that it would have an undue impact in the areas of the country for which they were responsible. They came to me with reasonable arguments, and changes were made. We moved back on the repeater section. We brought in the 11.5 per cent rule so that it does not apply in areas of high unemployment.

Atlantic members of this party, to their credit, worked diligently, despite the fact that the House was in recess. They did not wait until we came back here. They were quick to get to me, even though the House was not in session, and they were successful in having changes made. I am still hearing representations from my colleagues, and I am having second thoughts in certain areas. I am doing what I can to accommodate members who make legitimate representations. However, members of the New Democratic Party have filled up the order with amendment after amendment, all of which have been debated. I think members of the New Democratic Party have done their own party, and certainly the people of Canada, a disservice.

If members of the New Democratic Party wanted to get into a legitimate debate, we would have been prepared to debate the strengths or weaknesses of this legislation, but they have taken away that opportunity by using the senseless approach of proposing so many amendments to the bill. Standing Order 75C was meant to be used in situations like this, and I make no apology.

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I certainly can advise the House that we are going to oppose this closure motion. There is a place for closure. We all know that. But I want to quote from Beauchesne, page 140 in the fourth edition.

The ending of protracted debate, not its abolishment, was the main reason why closure was established.

Where is the protracted debate in this House on this piece of legislation? On November 9 we debated for three hours and 50 minutes on the second reading, and on November 10—both days the total was three hours and 50 minutes on second reading. That is all, Mr. Speaker. Then we came back to this House on December 18—

Mr. Cullen: Mr. Speaker, I rise on a point of order. It was at the insistence of the official opposition that we moved to have a voice vote in the House on that particular occasion. The official opposition was quite satisfied to have that limited debate. The official opposition put time allocation on second reading.

Mr. Crosbie: Mr. Speaker, I will ignore the minister's ramblings. He was half right in his remarks when he spoke with reference to the NDP, and now he is completely wrong. There were three hours and 50 minutes on the 9th and 10th. And on December 18 and 19, this week, we had six hours and 46 minutes altogether on the report stage; ten hours and 36 minutes to date on this legislation affecting one million unemployed and all of the people of Canada who are subsidizing unemployment insurance to the tune of $2 billion a year. We take off 30 minutes for procedural arguments on December 18, and we have had ten hours of debate in this House so far, and we have had speeches so far in the debate, 28 speakers, seven Liberals, nine PC, eight NDP, and four Social Credit or independent speakers, out of 265. This has not been a protracted debate.

This bill went to a committee which did a marvellous job. It had 30 sittings, met 30 times, and there we put forward serious amendments to be considered, which were voted down. In that committee the government attempted closure. They brought in a closure motion, and their own members voted against it in the committee. This government has gone berserk with fear. They bring in closure in the committee, not only in the House but in the committee.

Since I came to the House in the second session we have had closure on several other occasions, but nothing like this. On the income tax, C-11, last year at least we debated for ten days on second reading, four days at the committee stage. The income tax bill in connection with the sales tax, before closure was brought in, was 22 days in the committee stage. The income tax bill the previous year was 4½ days in the committee stage, nine days on third reading in this House. We have had four days, and the government is putting the clamps on. Why? Because of its ineptness, because it did not organize its business to bring this in earlier, because it does not know what it is doing, because it does not care about the rights of parliament, because it does not care about the rights of the unemployed. Just total ineptness, and we are not going to vote for closure even though Christmas is coming and the sleigh bells are ringing. We are not going to go along with this closure motion.

Mr. Speaker, the minister was right on the members to my left, the NDP. They have helped destroy this debate with 24 amendments they have moved, most of them stupid amendments, remove this clause, remove that clause, remove all the clauses. This is only for the purpose of holding up the House. It was not for serious debate. It was for cheap political gain that they think they are going to make. That is why the NDP moved 24 motions. We are still discussing their first motion, so don't set themselves up in this House as the apostles of purity. They are going to get up and argue that "You cannot have 75C, you cannot do this and that because we purists in the NDP say it is all anti-democratic". It is anti-democratic how they have abused this House in the last few days with the 24 amendments that they have moved, knowing that they would never be debated, knowing that the government would bring in closure, knowing that Christmas was coming. It is the biggest example of insincerity since somebody invented Santa Claus.

Some hon. Members: Oh!

Some hon. Members: Order.

Mr. Nystrom: Withdraw that.

Mr. Crosbie: In fact, these are the Santa Claus members. In committee we brought forward—and by the way, the members of the NDP are suffering from a disease which has been described as Pope's Law. I will give you what Pope's Law is: All looks yellow to the jaundiced eye. They have a jaundiced eye on this unemployment insurance, and therefore they cannot look at the thing without their colouring being yellow.

I have a quotation for the government. "A free society is one where it is safe to be unpopular," said Adlai Stevenson, and the government is darned lucky this is a free society because they are certainly unpopular, and they are going to go in 1979.

The hon. member for St. John's East (Mr. McGrath), the hon. member for York-Scarborough (Mr. McCrossan) and the hon. member for Vancouver Quadra (Mr. Clarke) did splendid work in the committee, and they moved several serious amendments, one so that the people who would bear some onus for having their unemployment insurance receipts cut would be those who quit their employment without any justification. That has been ruled out for consideration in this House. The second was that we adopt a two-tier system so that we not punish everybody on unemployment insurance by reducing everyone from 66⅔ per cent of their pay when they were working to 60 per cent as the government proposes, or that we cripple re-entrants into the force so that they can no longer be eligible for unemployment insurance, or new entrants into the labour force in places like Newfoundland so that they will never get unemployment insurance.

No, we say that is unfair and arbitrary, and therefore we suggested that, to save more money than the government is going to save, we have a two-tier system, accepted by most of the provinces, where people with dependants would receive the same amount of unemployment insurance in the future, but those with no dependants would be cut back to 50 per cent because of the need to cut back on this huge $2 billion deficit. We are responsible. Even if we come from areas of high unemployment, we are responsible enough to know that this government is leading us to doom if the $12 billion deficits in the budget continue, and the huge deficits in unemployment insurance continue. But the government would not consider that in committee. The government is not going to give us a chance to debate now through its closure, and if the government does not accept that amendment, we are voting against the government on third reading and these arbitrary and cruel amendments to the Unemployment Insurance Act.

This government is in the stage now that we had in 79 A.D., two thousand years ago. That was the last days of Pompeii when Mount Vesuvius exploded and Pompeii was done away with. We are waiting for the eruption now, and the eruption is going to come when they get their courage up and call the election in 1979.

● (1552)

The government is acting somewhat like Marie Antoinette, but does not give them either cake or bread. Nobody here now can afford bread because of the offence of the "true dough", and Trudeau is going to go so that the unemployed of this country can afford to have some cake, not the ruinous policies that this government has bumbled along with until now. Where is the originator of the unemployment insurance change in 1971? As I said last night, flying across Canada sucking his thumb. He is not down like the unemployed, sucking their thumbs and wondering where they will have to go next to look for work. Now the minister has to take the odium for bringing in these changes and cutbacks. The public

never likes cutbacks. He has to come here today with the "poor people" remarks he has made.

We will not accept closure. We believe that this has been a poor performance by the government, and an exceptionally poor perfomance by the NDP. Those people have such lofty virtues. The only ones who have the decency to perceive how unfortunate some people are and to do something about it, the only people with any goodness in the House are members of the NDP, they like to think. I can tell them that their lack of principles makes them the newly debauched party. That is what they are, the NDP.

I suggest that we proceed to our motion which is the only serious amendment before the House. Our motion is No. 14 moved by the hon. member for Vancouver Quadra. And I suggest that we debate the two-tier system. Perhaps the government will tell us that they will put it into effect. We recognize the need for restraint and we recognize the need for some changes, but we think the government's changes are not the right ones. We have our own expert here, he is an expert actuary who came to the House only a few weeks ago and he has added a lot to it. We are standing with him. We are voting against closure. If the minister does not get some sense and accept the amendment of the hon. member for Vancouver Quadra, we will vote against third reading of the bill. We are not afraid of the scattered remnants of the NDP because they will not be here after the next election.

Some hon. Members: Hear, hear!

Mr. Crosbie: The people of Canada will force the floorflushers right down the drain when the next election comes. I am proud to be one to vote against this motion, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in the spirit of Christmas I should like to extend my sympathy and sense of understanding to the hon. member for St. John's West (Mr. Crosbie). He seems to be suffering from a severe case of paranoia. I have seldom seen anyone in the House so worried about the New Democratic Party. It has been my view for a long time that Newfoundland is a natural place for us to gain strength, and we had some evidence of that this fall in the election of the hon. member for Humber-St. George's-St. Barbe (Mr. Faour). But every time my friend, the hon. member for St. John's West, speaks and makes these attacks on us, I feel we must be gaining more strength down in Newfoundland than even we had dared to hope. In any case, when anyone is suffering such a severe case of paranoia, he deserves our sympathy and understanding.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Every time we have a debate on a motion under Standing Order 75C, which is closure no matter what other name you might try to put on it, we have the argument from the other side that it is there in the books and it is there to be used.

I have to make the point again that although the rules of 1968 were dealt with by a committee, and although in that committee we did consider rule 16A which was dropped, 75A, 75B and 75C were never before the committee; they were an invention of the Liberal government. As for closure, in whatever form you put it, I should like to quote the words of a person who, I think everyone in the House will agree, was one of the outstanding members of the Liberal Party of Canada throughout its history.

An hon. Member: Jack Horner.

Mr. Knowles (Winnipeg North Centre): I refer to none other than Sir Wilfrid Laurier. In 1913, when the Conservatives of that day were putting through the closure rule that has been a black mark on our books all these years, he fought it bitterly, and if I were not limited to ten minutes I should have liked to give a number of quotations of the words of Sir Wilfrid Laurier given to the House in that day. He must have been a tremendous orator with a tremendous capacity for the use of words. Let me give just one quotation, and I am sure that members can hear that great orator on that occasion. It was in 1913 when he was attacking the closure rule which has been brought in, and this is what he said:

> Heaven is my witness that I would rather stand here today defeated and in opposition by that appeal to the people than stand over there in office by the power of the gag.

An hon. Member: Shame!

Mr. Knowles (Winnipeg North Centre): Sir, that is what we have today, liberals who believe that with the government's majority they can use the power of the gag. We are completely opposed to what is being done in this instance with respect to Bill C-14.

All of this talk that we have had from the other side and from my paranoiac friend, the hon. member for St. John's West, about our having put forward quite a number of report stage amendments seems to miss the point, and I suspect it is deliberate. There are two or three things in this bill which to us are essentially wrong. They spread through the whole bill and that is why we have to make so many amendments. I say to the Minister of Employment and Immigration (Mr. Cullen) today that this motion would not have been necessary and a debate this long would not have been necessary if he had met us on three important points. Those points are, first, the unjustified reduction in the benefits payable under the Unemployment Insurance Act.

This is a day when the Minister of National Health and Welfare (Miss Bégin) has managed to increase family allowances and old age pensions, pensions of various people will be escalated in January, the pay and allowances of members of parliament and cabinet ministers will go up in January, and the Prime Minister (Mr. Trudeau) says that the government is not prepared to subsidize the price of bread or other such things, but it wants to help those who are having a difficult time because they do not have enough income. Yet they bring in a measure to reduce the benefits under employment insurance by 10 per cent. That is wrong. We make no apology for trying in any way we can to defeat it because of that reason,

but if the minister had the decency and had the sense of liberalism that the government House leader used to have, he would stand up today and say "We will meet you on that point, we will be prepared to negotiate a quick end to this debate."

There are two other points, in addition to the one I have just mentioned, the reduction by 10 per cent in the amount of the benefit. The second one is the inclusion in this legislation of measures that are of particular disadvantage to young people and to women. The reference, of course, is to new entrants and re-entrants, and so on. The reference is also to the minimum number of hours a week that have to be worked to qualify for unemployment insurance, but the people hit hardest by this are women, the same people who were hit by the cutback in the Outreach program, the same members of our community who are still on the short end of the stick. If the government would meet us on that point, we would be prepared to negotiate some end to this debate.

The third point has to do with the disadvantaged areas in Canada. The minister can stand up and try to tell us that the Atlantic Liberal members are satisfied with what has been done in Atlantic Canada so far as this legislation is concerned. That is not the way I hear it, either on the floor of the House or from members who talk to us behind the curtains.

Mr. Speaker, I make to you the point today on behalf of my party that if these three areas could be met, this bill could be brought to a vote fairly soon. We might still not like the bill as a whole, but the reason the debate has been dragged out in committee and the reason we have put down so many report stage amendments is that we regard these three points as crucial and they make this bill one that is thoroughly bad.

It is sometimes made out that the whole purpose of this bill is to do something about the abusers and cheaters of unemployment insurance. It does not do very much about them, but supposedly that is what it is all about. That is what my friend, the hon. member for Vancouver Quadra (Mr. Clarke) thinks, and for that reason he is prepared to support the bill, although he does not like some of the other phases of it. According to some members of the House we are supposed to be supporting those abusers and cheaters. That is not so, Mr. Speaker. We are prepared to support measures to do away with the abuse and cheating of this program. But the three provisions I have identified are bad, unliberal, indecent and un-Canadian, and we are against them.

We think that for the government to use its majority power, to use the power of the gag—because that is what rule 75C is—to bring to an end a debate like this, is something completely out of touch with the spirit of Christmas. Mr. Speaker, we are opposed to this motion with everything we have.

[*Translation*]

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, when the government introduces a bill in the House but does not want to hear the opposition's opinion about it and wishes to impose its dictature or to impose a particular bill to the people of the country, we can see that the government is prepared to accuse the opposition of filibustering and taking every means to uphold democracy. However, the government, which does not want to respect the democratic process of parliament, uses that argument to accuse the opposition of complicating that democratic process.

Indeed, all three opposition parties have proposed amendments to Bill C-14, a bill which obviously represents a direct accusation against the unemployed, because the bill accuses them of being swindlers, bandits or crooks, and the opposition does not accept such an attitude from the government. That is why each of the opposition parties moved motions proposing amendments which are likely to represent worthwhile solutions to the problem of unemployment in Canada.

When the minister blames the unemployed and the opposition tries to put the minister back on the right track, namely showing respect for the people, the minister replies: No, the opposition is filibustering. As an hon. member pointed out, after barely ten hours of debate on a subject as important as unemployment, the manpower available in Canada, unavailable jobs, the lack of jobs, the government says: No, we are committed to have the law passed by January 1. The government is not overly concerned about the essence of the law or respect for individuals. No. For them what counts is the date of January 1, the date for the implementation of a law clubbing employers. To show the extent to which the government is acting in a dictatorial and undemocratic way, I will say that already in regional unemployment insurance centres, even before the act is passed, even before opposition parties introduced amendments, already directives are being sent to regional offices, computer systems are being set and programmed so as to reflect this legislation which has not yet been voted in the House of Commons. But when opposition members rise to make changes, because the government does not want in a democratic way to recognize that changes can be made, the government introduces this motion 75C to end the debate. The minister says: We did not get agreement between the parties. Our House leaders did not agree on a time limit for the debate. The minister adds: Furthermore, we did not get a majority to decide if we should limit the debate.

● (1602)

We in the opposition cannot accept a time limit on the debate when the government does not want to debate anything, when it sticks, like a good old horse with its blinkers, to its basic idea in spite of and against all, charging, as I suggested at the beginning of my remarks, that the unemployed are cheaters and people who refuse to work, and saying just as plainly that the bill is intended to get 250,000 workers off unemployment insurance. But they do not wonder where those workers will go from there. The government is not indicating in any way that they will create 250,000 jobs. No. But on the other hand, once again, I say that in a dictatorial way they are ready to put the gag to opposition members to prevent them

from revealing to the whole population what the government is going to do to Canadian workers.

Mr. Speaker, we cannot as a group and I cannot as a member accept the imposition of a bludgeon measure such as the use of Standing Order 75C in a debate which is thwarted from the start by the government in power.

[*English*]

Mr. Robert Daudlin (Parliamentary Secretary to Secretary of State): Mr. Speaker, a number of issues have been raised already in the short debate which has taken place. A number of things should be answered or at least brought to the attention of some hon. members in the House who seem to have a slender grasp of some of the rules of this particular place.

I do not claim to be as expert as the hon. member for Winnipeg North Centre (Mr. Knowles), but a casual reading of the rules and a casual listening to the rules would suffice. Perhaps the hon. member for St. John's West (Mr. Crosbie) is so bombastic that he has hurt his ears. Perhaps he did not understand what Mr. Speaker said because the hon. member says so much and listens so little. Perhaps he did not hear Mr. Speaker, who went to great pains attempting to dispose of the issue as to whether the motion was proper in terms of both report stage and third reading. Mr. Speaker went to great pains to point out that there were rules of closure, Standing Order 33, and rules respecting time allocations in advance of debate, the 75 series. Yet notwithstanding that, the first member of the official opposition rose and referred to what he considered to be a terrible thing, closure. I have never seen such a disgusting example of people who want to have their cake and eat it at the same time.

The official opposition could have exercised Standing Order 75B. They could have indicated that they were prepared to see this matter disposed of, that they did not want to see two hours of the time of the House wasted debating whether there should be time allocation. They could have agreed that this matter was too important to waste time on procedure. They could have indicated that they wanted to discuss the issue and their two motions. Did they do that? No.

Instead they said, "Let the government be forced into the position of using Standing Order 75C so that we can claim gag and closure", knowing full well that it was not. They wanted both to have their cake and to eat it as well. It is disgusting, and it is time someone stood up and said so. That is what I am saying now.

Some hon. Members: Hear, hear!

Mr. Daudlin: The hon. member for Témiscamingue (Mr. Caouette) referred to the lack of opportunity for debate. There were 35 committee meetings dealing with Bill C-14 and an additional ten meetings dealing with supplementary estimates, the majority of which time was spent considering Bill C-14. I do not know on how many occasions in the last nine months members of the official opposition have risen to suggest amendments to the rules to make committees more meaningful and more important, and that committee debates should be recognized, heard, understood, and felt within the House. Then they have the gall to rise and suggest that a total of 45 meetings is no discussion at all, and that there has been no opportunity to discuss.

● (1612)

It is my understanding, and the minutes of the hearings will bear me out, that the Social Credit party was not represented at any of those meetings at all and in fact made their first submissions with respect to this bill in the House yesterday. Now they have the gall to suggest that they have not had the time to speak on the bill or to put forward their objections to the legislation.

I have spent some time examining this bill. Hon. members should have spent more time discussing it with their constituents, as I have.

Mr. Rodriguez: You have just seen the bill for the first time.

Mr. Daudlin: The hon. member suggests that I have just seen the bill for the first time. I have read the bill probably as frequently as the hon member, who is making all the noise over there. Rather than trying to prevent the bill from being passed, I took it back to my riding and discussed it with the people there who have for the last number of years been suggesting that the government must take action, bite the bullet, and realize that there are imperfections in the act.

These people told me something which I heard and heard well, that this was one of the most important items in their eyes. In fact I have been behind the minister saying, "Get it changed now, and if I have to stay until Christmas I will do it because it is that important to my riding". It is not just the people whom members opposite describe as cheaters and misusers who have spoken to me, it is farmers who recognize that if we tighten up too much it may make it more difficult to acquire farm labour. It is the workers themselves with whom I met this weekend. For example, I met with hospital employees who have suffered substantially in Ontario because of cutbacks which have taken place in the hospitals at the provincial level. These people were concerned about what was happening with this bill. I went through it with them and they said that they could not understand why the government was so fearful of it because they felt that they could live with the bill.

I suggest that what has happened is that these representatives of labour who have supposedly been speaking to members opposite have forgotten to speak to the labourers themselves, because the labourers seem to be able to understand.

We have heard a lot of debate in the House over the last four years on how we should control debate in the House, not in terms of imposing hours but in terms of sitting down and rationally deciding how the debate should take place. We have heard that "reasonable men should be able to sit down and determine how many hours should be necessary to discuss any particular bill." As the hon. member for Winnipeg North Centre has indicated, in 1969 when this particular section of the rule was brought in, it was in an attempt to verbalize that

kind of debate, to provide us with a tool that would allow hon. members somehow to determine in advance the time that should be spent on any particular issue. I get a little bit upset with those who now say that because we have not used the tool since 1969 maybe we should not use it at all; in other words, this House should not have the perception to be able to determine what is a reasonable length of time for debate on an issue.

I compliment the minister for having imposed closure. I think it was absolutely essential, given the number of amendments introduced by the NDP and the time already spent on the bill in committee. To fail to do so by Christmas would have meant expenditures by the government of $50 million to $100 million in the new year that it can ill afford to have at this particular time.

Mr. Jake Epp (Provencher): Mr. Speaker, I listened carefully to the comments of the hon. member who just preceded me. I found it interesting that he would get involved in this debate and that he would quote from committee hearings when those of us who sat through many of those hearings did not see the hon. gentleman.

As the opposition critic to the minister on immigration matters, I have discussed certain issues with him, and I find that in most cases he has attempted to be fair. But today when he tried to defend the motion with regard to the portion on which he would get a mandate, it was a total red herring, and he has shown more brilliance in other situations. I suggest to him that the electorate will decide who will get the mandate.

There are two things which have happened with regard to the bill. Part of this bill was, in fact, gazetted before this House had opportunity to debate it. On October 20 the cabinet discussed clause 2 of Bill C-14 and at that time the cabinet made a decision to use the Unemployment Insurance Act, by order in council, to pass clause 2. On November 2 this House gave first reading to Bill C-14. On November 8 the government passed or gazetted in the *Canada Gazette* clause 2 of Bill C-14. Up until that time this House had not debated any portion of that bill. On November 9 and 10—members will recall that the tenth was a Friday—this bill was debated and passed out of this House to committee.

It is preposterous to think that this government, or any government, would present a bill to the House for debate when part of it had already been enacted into law by the *Canada Gazette*, but this government did it. We then had an interminable number of committee meetings in which there was an exercise by the NDP, and I guess they can use whatever tactics they wish, the repeat of a performance which I had seen in discussions on Bills C-24 and C-27 previously. Basically their argument is that they want to spend more money on unemployment insurance.

My party does not want to spend more on unemployment insurance; we want to spend more on employment and the creation of jobs.

Mr. Dionne (Northumberland-Miramichi): Oh, oh!

[Mr. Daudlin.]

Mr. Epp: Mr. Speaker, there is a record currently on the market which many young children are buying called "Disco Duck", and I suggest that the hon. member purchase it himself.

Part of this bill was already gazetted. We sat through 35 meetings with the hon. member for Nickel Belt (Mr. Rodriguez) who tried everything, including an attempt to rotate members speaking within the committee, to use more time. It is fine for hon. members to speak, but what he was trying to do was to get his point across at the expense and the right of other members to speak in the committee.

In committee it is the object to present proposals which are better than those under discussion. Many of the minister's officials agreed that our proposals were better than his. The minister said that he wanted to go to committee in order to look at proposals. However, did he accept any? He did not accept ours but kept on saying that his proposal was better. This party proposed responsible amendments to improve the bill but the minister just wanted to get the bill through committee, through report stage, and into third reading. He was not interested in the final analysis for change. On other bills relating to unemployment insurance and immigration, a number of amendments were introduced which the minister considered seriously and ultimately those amendments or modifications of them were approved. That did not happen with the bill before us, however.

● (1622)

I want to return to the question of gazetting, Mr. Speaker. On the morning of one committee meeting we received a telephone call from a gentleman in Toronto who wanted to know if the bill was already in effect. It was not, of course, because we were still debating it in committee. This gentleman began to read some very interesting and strange words to us which he said appeared in the *Canada Gazette*. It was only after the minister was caught with his hand in the cookie jar that he admitted that clause 2 of the bill had already been gazetted. This must go on the record, Mr. Speaker.

Mr. Cullen: On a point of order, Mr. Speaker, I have respect for the hon. member and I know he would not wish to mislead the House. At no time, however, did I ever indicate that we had gazetted clause 2 of the bill. I indicated that we have moved a regulation under a bill that was presently in existence.

Mr. Epp: I appreciate the minister's intervention. He knows, and I know, however, that the gazetting had the same effect as the provisions in clause 2. He also knows that because of the action the government took on October 20, and afterwards, they did not need clause 2 in Bill C-14. He was asking parliament to pass something that had already been enacted. That is the kind of thing that was going on.

There were some very specific amendments that we wanted to bring forward, but actions of this kind put in doubt the sincerity of the government and of its members on the committee.

It is true there are a large number of amendments as report stage which the NDP have brought in and that this prevents the official opposition from bringing forward its amendments because we will not have time to debate them. I appreciate the latitude that you extended to me and other members on this side last night, Mr. Speaker, when you did not restrict us to discussing motion No. 1. We were able to discuss almost all the motions on the order paper. The fact is, however, that the NDP did not bring in positive amendments.

There are two reasons why the official opposition is deeply disturbed about action by the government. First is the fact that the government gazetted part of the bill. It was not necessary. It was a violation of parliamentary procedure and an insult to every member of this House. For 35 committee meetings we discussed something that was already law. What a shame that is!

The other reason is that a proposal was presented in good faith, but the minister wanted to get his bill through without a serious examination of it. That proposal would have met the objectives of the minister. It would have brought in restraint but would also have preserved the income of those groups in society receiving unemployment insurance benefits who are not abusing the system. The minister cannot deny that. Now, when his back is against the wall, a motion for closure is introduced in order to stifle debate. We cannot debate the amendments that we wanted.

This is a very sad day for this House and this parliament, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Maurice Foster (Algoma): Mr. Speaker, I should like to contribute a few words to the debate this afternoon. One of the underlying principles of this bill is to provide additional funding to the government for constructive job creation and training programs. This bill and other government funding would provide some $710 million for this purpose in the coming fiscal year, part of which would derive from the savings realized by the operation of the unemployment insurance program.

The opposition has explored this bill in great detail in committee. There were some 35 committee meetings, and all the amendments presented for consideration at report stage were dealt with in considerable detail at those meetings.

The opposition obviously has responsibility to oppose a bill and to make positive and constructive amendments to it, but there must come a time when members from all sides can vote. We can either have continued blockage or obstruction of a bill, or else it comes to a vote.

A motion under Standing Order 75C allows the government to set a time limit on debate, and provides that report stage and third reading can be dealt with in the same motion. In this case two sitting days have been proposed to deal with report stage and third reading. That would bring us up to two days before Christmas when I think many members will be getting away for the recess and all members will want to get back to their constituencies.

As I recall, when changes were made to the rules in 1969, the idea was that the policy of a bill would be explored on second reading, it would be sent to committee for clause by clause study, then be dealt with at report stage and proceed for expeditious third reading. In the case before the House it is clear that the opposition, or at least the NDP, did not want to bring the bill to a vote but rather wanted to prolong discussion indefinitely. This bill would provide additional funding for direct employment programs and direct skill training programs and, surely, that is what most people in this country want. I receive many letters and communications, as I am sure other members do, asking why we spend so much money on welfare and unemployment insurance benefits and why we do not put people to work, and provide more training that would equip them for jobs.

This bill would make expanded job creation and training programs available to the government, Mr. Speaker. The program outlined by the minister at a cost of some $710 million for 1979-80 would do what many people want. It would provide 113,000 job-years of employment and activities, through such things as part-time jobs for students or on the job training in which 368,000 people could participate. This is a 70 per cent increase in work-years over previous figures.

● (1632)

I am especially interested in the fact that a lot of the emphasis is on youth employment, because often young persons coming out of high schools or post-secondary institutions cannot get jobs as they do not have experience on the job. They have not held jobs and have no letters of reference from previous employers. This program has a strong emphasis on youth with some $225 million for youth employment, some of which will come from savings through the UIC bill.

As a matter of fact, the job experience training program will be expanded from some 20,000 jobs to 63,000 jobs. This is for young people just coming directly out of school, and some $40 million will come from UIC benefits, creating a positive force for job training and job experience for young people, rather than being used as a direct pay-out from which we do not in the long term get any advantage for young people, such as experience on the job and becoming accustomed to being in the labour force. That does not occur when they are just drawing UIC benefits.

I was also impressed by this job-creation program and the local economic development assistance program. We have in certain areas of the country local economic development corporations designed to seek out economic opportunities to create new businesses, but up until now there have been no equity funds available for this purpose. Often the banks are too tight-fisted, so there is no equity in the hands of the local entrepreneur who has a good idea and cannot put it together.

We have an economic development corporation in my constituency, and this program for local economic development assistance will provide some $10 million during the next fiscal year for the creation of about 1,000 permanent jobs.

It seems to me that by implementing these programs designed to assist, stimulate, and provide an incentive to the private sector, we are looking at a much more positive way of utilizing the unemployment insurance funds that would be used in direct pay-outs if these positive and constructive programs were not available.

I am pleased to see that the minister is expanding by some 70 per cent these direct job creation and training programs. That is the real positive aspect of the move by the department to provide assistance to the private sector in order to fund direct employment programs.

In my constituency $1.5 million will be spent this year on direct job programs, providing jobs that will ultimately, at least some, move into the private realm. We have one project on an Indian reserve for the development of a new operation, a dolomite mine, an open-pit quarry that will create permanent jobs. This is being carried out through a Canada Works program.

It seems to me the question we have to ask ourselves is, do we want to continue pouring billions of dollars into UIC benefits, or do we want to use those funds to create employment for the native people and other unemployed? I think that is the direction in which the minister wants to move, and I would support him in that objective.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, of course this gives us an opportunity to comment on the proposal of the minister to apply what we usually call a muzzle on the debate concerning this legislation which will cause serious deceptions throughout the country. As I was listening to the previous speaker, I was wondering how anyone can try to justify the proposal made by the minister under the terms of Standing Order 75C. Others have underlined the speed with which we went through the second reading stage. We believed that by passing the bill quickly on second reading, it would be possible to amend this legislation, which is completely unacceptable in my opinion, as thousands of Canadians now realize. Since not enough amendments were made at the committee stage, the same legislation has now come back to us even though we have seen the reaction of thousands of Canadians to this measure during the committee stage. Even before we can begin third reading of the bill, the government has decided that we would take too long, and it now wants to restrict the debate to a few hours even though it concerns a bill which contains many weaknesses and inequities.

Mr. Speaker, it is clear that these types of discussions are useless when we study legislation which is acceptable to Canadians as a whole. Indeed the opposition has quite often co-operated with the government on legislation which could meet the needs of Canadians, but it is also clear that this legislation is quite unacceptable in the present situation. I come from a province which will experience great difficulties because of this bill. Indeed this was pointed out by the hon. member for Charlevoix (Mr. Lapointe) who noted that he would oppose the bill if it were not amended. I hope that my colleagues from Quebec will not let the minister push through this legislation as fast as he can. I hope that they will respond to the interests of Quebeckers. Other members will be able to speak on behalf of their constituents. There is only one thing I can say, and that is that I pity those members who will not oppose first of all this motion of closure because it muzzles the House and shows a callous attitude on the part of the government. In view of the objections that have been made and the consequences of this legislation, we know that more than 200,000 Canadians will be cut off from their unemployment insurance benefits.

This is the Christmas gift the government will offer them on Christmas Eve, Mr. Speaker, and I must say that it takes a heartless government to do this. I think that this government—I hear the hon. member for Laval (Mr. Roy) who will probably not take this opportunity to inform the minister that in his riding, as in many others in Quebec, that kind of legislation is going to cause problems. We heard about the $700 million to be used for job creation, Mr. Speaker, but how would you explain that the minister did not understand the situation earlier? How is it that this government has failed to give more priority to job creation in the last ten years? How would you explain, for instance, that the minister did not implement those job-creation programs? Why is it necessary to make those savings at the expense of the unemployed? Twelve months ago the government launched a $700 million job-creation program and the minister told us in committee that he was sure to achieve the objective of those job-creation programs. If it is true that the government will succeed in giving employment to 368,000 people through job-creation programs, if it is true, Mr. Speaker, that the government will achieve its objectives, then this legislation is not needed since 33 per cent of the unemployed will find work and at the same time the government will save 33 per cent of the money paid to unemployment insurance recipients. Why did the minister come up with this kind of legislation?

Earlier I heard a government member tell us that the public prefers that these funds be used for job creation rather than for unemployment insurance benefits. Of course people prefer to work. We do know, Mr. Speaker, that they wish to find a steady job but because of a lack of appropriate measures and foresight on the part of the government, we now have 1.5 million unemployed and to reward them the government proposes this draconian, tough, inconceivable and callous legislation. This is why, Mr. Speaker, we object to this muzzling, to this motion of closure and I think that no member who takes really at heart the interest of his constituents or his responsibilities as member of parliament has the right to support such a measure which prevents members of this House from speaking on behalf of the people.

By introducing this motion for closure today the government is exceeding its powers in a shameless manner, Mr. Speaker,

and this type of abuse on its part is not new and I hope that Canadians will remember it. In less than two years, Mr. Speaker, my colleagues from Quebec will have to crawl and support such an outrageous measure. I would say that in less than one year, Mr. Speaker, this is the second time that I have witnessed such outright betrayal. Indeed last summer it happened regarding the sales tax and in this case we are being confronted by a situation where inhuman conditions will be inflicted upon thousands of Canadians. It will become a growing concern among Canadians.

The only solution the government has to offer is cutbacks in much needed welfare. The evidence is that the provinces have not been sufficiently consulted. It has also been demonstrated before the committee that the provinces will have to pay very dearly for this decision on the part of the federal government. This leads us to believe that the federal government is showing a desire to put the provinces in a straightjacket position in order to compel them to come to the negotiation table afterwards and kneel down before its authority.

Here is a kind of attitude which even exceeds the arrogance that we had become accustomed to. Earlier the minister even accused the Leader of the Opposition (Mr. Clark) of talking about negotiating with the other provinces and not only with the province of Quebec. I would like to remind the minister that a member of the Pepin-Robarts Commission, Mrs. Solange Chaput-Rolland, recently made public a letter warning the Prime Minister that he was the one who told Canadians that negotiations are not synonymous with unconditional surrender. And I suggest that the letter which Mrs. Chaput-Rolland has made public is not only a warning for the Prime Minister, but also a piece of necessary information for all hon. members on the government side.

Should I beg—and I do so—my Quebec colleagues and all hon. members on the government side to seriously consider, in the spirit of the season, the possibility of asking the minister to withdraw this bill? And we oppose this bill because we have introduced amendments to this bill. My colleagues have suggested very good ideas aimed also at saving money. The government, which has turned down all the proposals the opposition has made, is now asking us to agree to one which is unacceptable. I think that I am fulfilling my responsibilities as a Quebecker and as a member of this House when I beg hon. members to demonstrate courage and to refuse to support slavishly such diabolical legislation. That is the message I wanted to convey before Christmas. Mr. Speaker.

● (1642)

[*English*]

Mr. John Campbell (LaSalle-Émard-Côte Saint-Paul): Thank you, Mr. Speaker.

An hon. Member: Maiden speech.

Mr. Campbell: Not exactly. I am forced to participate in this debate after listening to the comments and buffoonery of the last member who spoke. After assisting at many of the committee meetings on Bill C-14, it is unbelievable that a member who represents a Quebec constituency would get up in this House and present the kind of speech he has just presented and have any respect for those he represents and, in fact, for all Canadians. He made some totally false statements.

Some hon. Members: Order.

Mr. Campbell: There was very little participation at the committee hearings by the hon. member. The Unemployment Insurance Act was amended several years ago, apparently because of its harshness. The Liberal government said it would be more sensitive and that it would relax the regulations, which was done for the benefit of all Canadians. Typically, the government was criticized, as it has been for many years.

Mr. Baker (Grenville-Carleton): They deserved every bit of it.

Mr. Campbell: The employers and the employees began to criticize the act for being too lax, saying there should be more restraint, that the majority of Canadians, I believe 92 per cent, were the working force, in the vicinity of 700,000 or 800,000 had been unemployed and that we could probably eliminate 400,000 or 500,000 of those who are continually abusing the system.

Some hon. Members: Oh, oh!

Mr. Rodriguez: That is a stupid statement.

Mr. Campbell: Under this bill, $150 million will be saved at the outset. This will be taken away from those abusing the system. I say there are abusers of the system. I am sure all members receive telephone calls about abuses of the unemployment insurance system.

The minister had enough guts to stand up and say for the benefit of all employers and employees that we should exercise a little more restraint and surveillance over UIC benefits, something Canadians had been asking for over a number of years. The minister stood up and said this would be done for the benefit of Canadians, which is what this government stands for, Mr. Speaker.

The $150 million that will be poured back into the economy to create jobs for those who are unemployed may not seem very much. However, next year it will be $655 million, not a small figure, to create jobs for the unemployed. In the next six months after that it will be $935 million, nearly $2 billion within two years. No one can say that will not create permanent employment for those who want to work, not for those who abuse the system, and God knows there are enough of them. Employers constantly tell me they cannot get people to work for them at any cost.

An hon. Member: Because of the minimum wage.

Mr. Campbell: The minimum wage was established by this government, supported by all sides. Whether it is the minimum wage or double the minimum wage, the employers say they

cannot get people because the UIC benefits plus the under-table money they are paid is more than a person would get at a steady job. That is what this minister is trying to prevent.

There was some mention about clause 2 appearing in the *Gazette*. I guess it did not receive much publicity because the committee hearings are not televised. However, the minister and his officials explained over and over again that that was done legally. There was nothing to hinder this government from publicizing this regulation through the *Gazette*. Clause 2 was put in to complement the bill. To make political gain out of that is to say to the Canadian public that they are all stupid. However, they are not. They are intelligent people. They know what the hell is going on and who is trying to block this bill for no reason.

● (1652)

If you go down to 75 you are telling the hotel owners why you close at three o'clock when the movie theatres close at 11, because if you did not do that those people would abuse the system as the opposition is trying to abuse the system at this very moment and trying to put the blame somewhere else. Well, the people are not going to believe that for one damn minute.

Mr. Benjamin: Hogwash!

Mr. Campbell: Are you inside or outside the curtains?

An hon. Member: Half and half.

Mr. Campbell: Those who are employed, the majority, are paying less and the employers are paying less, and they are happy and they are the large majority. So we are talking about 400,000 people who are probably legitimately unemployed. This government has never let them down. Regulations can be implemented to make sure that no one suffers, and no one will suffer. All we are saying is that those who are abusing the system while others are paying for it, I do not think the latter like it one damn bit. It was high time for the minister to take that in hand and say no more abuse, the funds which are spent because of abuse will be directed to those people who really want to work and create the jobs.

Mr. Benjamin: There is nothing in the bill about abuse. Have you read the bill?

Mr. Campbell: The hon. member asks whether I have read the bill. I would not want to do anything different from what the opposition has been doing for the last number of years. You don't have to read the bill. You just listen.

Some hon. Members: Oh, oh!

Mr. Campbell: For instance, today in committee the opposition criticized this bill. On all the occasions on which I attended the committee and sat there, the only name brought forward by the chairman was that of the hon. member for Nickel Belt (Mr. Rodriguez).

An hon. Member: Hear, hear!

Mr. Campbell: One of the members of the official opposition said he had absorbed all the time available to the committee and used it to say nothing. Can you imagine the waste of public funds involved when one man occupies all the time of the committee to say nothing? The opposition today came forth out of their clouds and said "What a lousy bill," when they know damn well it is an excellent bill.

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Campbell: Every bill needs minor changes. That is done through regulation. But the crux of this measure is a response to what the people want, and they will come forward very shortly and tell us that what we have done has been done right for them. We will not protect those who abuse the system.

Mr. Deputy Speaker: I have to interrupt the hon. member because his time has expired.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I did not want to contribute, but for the record I must correct the remarks made by the hon. member for Kent-Essex (Mr. Daudlin). I will come back later to closure. The hon. member accused us, members of the Social Credit Party of Canada, of not being in committee. If the hon. member himself had been in comittee, he would have spoken differently. He would not have launched into such cowardly charges. Mr. Speaker, every member in this House knows that my colleague, the hon. member for Kamouraska (Mr. Dionne), who sits on the committee, is now in hospital and cannot therefore attend committee meetings. Nor can the hon. member for Rimouski (Mr. Allard), who also is in hospital. The hon. member for Abitibi (Mr. Laprise) had open heart surgery. This leaves six of us to deal with 25 committees. How can the six of us be expected to do the work of 140 Liberal members, especially when there are committee meetings while we sit here? As I said recently, when this House sits while committee meetings are in progress nobody will see me in committee, because my first duty is to this House. Committees come second. All we need is that committees meet when the House is not in session. So much for the first correction. I am sorry for the young member who accused us earlier. He should check his facts first, his comments would make more sense.

Coming to closure, I have always been most strongly opposed to silencing this House. This is what is happening once more. I have always felt this indicates a lack of planning on the part of the government. If they had come up two months ago with this bill of prime importance to themselves, I assure you, Mr. Speaker, we would not now be discussing this motion. They brought in closure because they want to leave for Christmas. The bill is introduced in the last moment of the session, and we are expected to go through all stages in one or two days, when 90 per cent of Canadians are opposed to the bill. They want to force this down our throats. Some moments ago I heard another Liberal member say: "Finally, we can

collect $710 million at the expense of the unemployed." In order to create what? Only 113 man-years. And to get this, we are going to deprive 250,000 unemployed of something they are entitled to, unemployment insurance benefits for which they paid premiums. I suggest this is outright robbery. I said so yesterday and I say it again today. The people are cheated and are led to believe that it is in the interests of the country. It is as if to pay off municipal expenditures, Mr. Speaker, the mayor would decide to ask his fellow citizens to eat only one meal a day so as to make both ends meet. That is exactly what is suggested today, Mr. Speaker.

We need $117 million, one or two million within two years, so let us discontinue the payments. Premiums are collected, but let us drop the benefits. Let us keep that money for something else. However, the government knows quite well how to get the money to buy military toys worth $2.5 billion which have just been purchased as replacements for our planes. It is also ready to buy warships worth $1.5 billion while it is devoting $4 billion to save the party and try to give a new impetus to the economy. Some low income families living on the threshold of poverty will be deprived of their unemployment insurance. I say no. It is a shame. This government does not deserve to remain more than one day in power. How can they impose such nonsense on the people, Mr. Speaker?

How are the amounts collected? How has the number of inspectors been almost doubled now? Why? To make inquiries? Inquiries after one, two or three years to see if someone was eligible for unemployment insurance benefits four years ago? But, Mr. Speaker, it shows precisely how incompetent their civil servants are. If an employee was unable to determine whether someone was eligible for unemployment insurance benefits for some reason or another four years ago, and agreed to pay them, and civil servants say four years later: You are not eligible. You must refund the overpayment. Well, I say that it is nonsense, Mr. Speaker, and that the civil servants should be forced to refund those amounts because they made the mistake. The unemployed now have to pay for the mistakes of the civil servants. At the present time we have one civil servant for every ten Canadians, Mr. Speaker; but at that rate, in five years from now there will be one for every five. That is a lot of inspectors. That is a lot of people digging into our pockets. Skyscrapers are being built to accommodate those civil servants who collect taxes. Centres for fiscal data, those are being built; but manufactures, very seldom.

Fiscal data centres, Mr. Speaker, will not spur the economy; they make the country poorer, not richer. But, for instance, if those same millions of dollars were taken to build industries, to help the secondary and tertiary industries, the people would realize that we are becoming serious about the situation. But you cannot try to get even more from those who have nothing left. The bill will do no harm to the big shots, Mr. Speaker, those who earn $15,000, $20,000 or $25,000 a year.

These are the career unemployed. After a few months they quit work. When asked why they do not work, they answer that they do not want to give everything to the tax man. So they apply for unemployment benefits and they disrupt the whole system. Yet the bill attacks the seasonal worker, not the big shot who will not be hurt by it at all, but the seasonal worker. When we say that over 250,000 seasonal workers will not be able to claim unemployment, that is serious, Mr. Speaker. I think the government should be concerned more about people, the human capital, than about money.

● (1702)

[*English*]

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, in the six years I have been in this House I have never been as saddened as I have been by the action of this government in imposing closure on Bill C-14, amendments to the Unemployment Insurance Act. I am sad because of what the government and the minister, in particular, have done. The minister talks of the government's majority in this House. We are all well aware that the government has a majority, but surely we should move from the concept that might is right and use might for right. That would be a much better aspiration for this government when dealing with changes to the Unemployment Insurance Act.

Right from the start of the bill I was closely associated with it on behalf of my party, and I saw not one iota or one scintilla of effort on the part of the minister or his government to be flexible, or even to entertain reasonable argument or propositions. The first thing we discovered when this bill was brought down—and through questioning witnesses who subsequently came before the committee—was that there was very little consultation with those who will be affected most, the workers of this country and the unions which represent them. There was very little consultation with the interested groups which will be affected by this bill, such as students and women. Even the government's own advisory group on the status of women was not consulted. We had the spectacle of the parliamentary secretary jamming the bill through committee. He limited the number of witnesses coming before the committee.

I come from an area where in October of 1977 the largest employers there, Inco and Falconbridge, announced a 3,000 person lay-off in the Sudbury basin. We fought like hell to get this government to keep people working, but this government was totally helpless. It could not provide jobs for people who wanted to work. The government rejected the stockpiling idea. It rejected an import duty on nickel coming from Argentina, the Philippines, and Australia. The government rejected those concepts, which would have kept 3,000 people working. Now we are witnessing the jamming through of a bill, clause 5 of which would reduce the benefits of those people who today are unemployed through no fault of their own. It would reduce their incomes from 66⅔ per cent of average insurable weekly earnings to 60 per cent. The phonies to my right would have reduced those incomes to 50 per cent for those without dependants.

Just today I presented the minister with a list of about seven or eight people who found jobs in Thompson. They were laid off by Inco in Sudbury and found jobs in Thompson, but they have been unemployed, and they do not have the wherewithal to transport themselves to Thompson. Officials at the regional office of the minister's department in Sudbury said that they could not transport those workers to Thompson because there are unemployed people in Manitoba, particularly in Thompson, who must be hired first. I do not understand, and this is all so saddening to me.

I am a new Canadian, relatively speaking and it is sad to me that the government would propagate the concept that Canadian young people are lazy and that Canadian workers are lazy. I am sad that the government would legislate based on its perception of laziness. All reputable studies show that the puritan work ethic is alive and well in this country.

The party which forms the government has a long history of concern for society, but it has dragged itself to such a level that it must curry favour with the corporate sector so that it can get funds when the bagman goes around collecting for an election next spring. I am sad because the government has dragged itself to that level of expediency and concern about power. I am very sad about the performance of the government.

I have sat in committees of this House which have dealt with legislation dealing with corporations. It takes ten years to get a change in the Bank Act. That has been put off for the last couple of years. First we get a yellow paper, then a white paper, then a green paper, and then the subject matter, not a bill, is referred to a committee.

I sat in the committee which dealt with Bill C-16, the borrowers and depositors protection legislation. I saw every single financial institution and group come to the committee. Did the government jam that legislation through? Does it jam through legislation which affects the corporations of this country through? Oh, no, sir, it does not. But when it comes to workers' legislation such as changes to the unemployment insurance fund, they jam it through. I think that is sad because they have a double standard.

● (1712)

I cannot leave these phonies to my right alone because I recall the parliamentary secretary limiting the number of witnesses to nine, and pushing closure through the steering committee a week and a half ago. He was going to limit the debate to last Tuesday at eight o'clock. The Conservative member on the steering committee, the hon. member for Vancouver Quadra (Mr. Clarke), agreed with the closure then, which subsequently resulted in the parliamentary secretary presenting a three point report from the steering committee. The hon. member for Vancouver Quadra turned around in the committee and, like the boa constrictor that this party has showed itself to be, he swallowed himself completely, twisting here and twisting there until he got to the eyeballs, then he regurgitated all over the committee. I thought it was a shameful display.

[Mr. Rodriguez.]

The Tories have an awful gall to come here and say they are opposed to closure when their representative was all for closure in the committee. The party to my right twisted here and twisted there. They have gutted themselves head on, as the hon. member for St. John's West (Mr. Crosbie) would say. On the one hand they want to curry favour and curry votes in eastern Canada, and on the other hand they have the corporate sector and the John Bullocks of this society pushing them in the other direction. So they have had members speaking out of one side of their mouths and other members speaking out of the other side of their mouths. That is a totally shameful display.

The hon. member for LaSalle-Émard-Côte Saint-Paul (Mr. Campbell) said that this bill is all about abuse, that its purpose is to cut down abuse, when in reality the only provision in the bill which tends to punish abuse is the one dealing with employers, the provision which raises the fines on employers when they have broken the regulations by giving false information to the commission.

We have opposed the bill, and I make no apology for the role we play, because when it was fairly obvious that the minister was intransigent and the government's mind was made up, that the parliamentary secretary was the juggernaut in the committee trying to ram the bill through, it was at that point we decided that obviously the only thing to do was to try to stop the bill in its tracks. I say that, given the same circumstances, we would do that again.

Mr. Frank Maine (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, we have been debating Bill C-14 for almost two months and I have been present at every single meeting. I am the only member in the House who can say that with any degree of honesty.

Mr. Knowles (Winnipeg North Centre): Are there degrees of honesty?

Mr. Maine: I have learned an awful lot in those two months, and I have seen an awful lot in the four and a half years since I have been here. I thank the opposition members for contributing so much to my education. One of the biggest things I have seen demonstrated here is hypocrisy. I have really been shocked by the degree of hypocrisy I have seen demonstrated in the last two months here.

I will speak first of all about the Social Credit party. They complained today that we were gagging them on second reading but, when it came their turn to speak, their member walked out of the House moments before because he did not wish to participate.

After second reading there were 34 meetings in committee stage on Bill C-14, seven meetings on supplementary estimates, which were largely devoted to debating the contents of Bill C-14, and not one time was there a Social Credit member present. We heard today that the two members of that party were sick. If this bill was so important to them, they would have substituted another member for them, as the rest of us do. Since they had not done so, it means that the bill was not

that important to them, and they have no right to complain they have been gagged. It is sheer hypocrisy.

Now let us come to my favourite party, the NDP. I have learned more than ever about the imaginative interpretation of rules in the last few months. The word "filibuster" has taken on more fancy variations than I have ever seen before. The hon. member for Nickel Belt (Mr. Rodriguez) has visibly demonstrated the meaning of the words rhetoric, bombast, demagoguery and histrionics, words about which I did not even know before. I have seen beautiful demonstrations of them. Today he has added a new element to his efforts as an actor. He has shown us the "more in sorrow than in anger" phase. One thing that I remember in committee is that he admonished members to read his speeches. I took him up on this. I found the smallest room in my house and I took his speeches there and held them before me, and after I read them I put them behind me and then disposed of them. I venture to say that that is the best use to which his speeches were put.

Mr. Rodriguez: You don't have a sense of humour.

Mr. Knowles (Winnipeg North Centre): Are you proud of that?

Mr. Maine: Now let us go on to the Conservatives. I have never seen a party that has been so split in all my life. On the one hand we hear the hon. member for St. John's East (Mr. McGrath) say that this bill is a kick in the guts, and on the other hand we hear the hon. member for York-Simcoe (Mr. Stevens) say it is about time but the bill does not go far enough. They are split all over the place, and we have seen it demonstrated time and time again at every phase of the bill.

My learning has further been increased by seeing the Progressive Conservative's version of the hon. member for Nickel Belt, namely, the hon. member for St. John's East (Mr. McGrath). I call him the hon. member for Nickel Belt phase two, very similar but a little more sophisticated. My education was increased further when I watched them wanting their cake and eating it too, as was demonstrated by the hon. member for Nickel Belt last Tuesday. If we had sat for two more hours on Tuesday night, we could have completed the debate on the bill, but the NDP made it very clear they wanted to stall the bill. So the bill was stalled until Monday. The Progressive Conservatives agreed they wanted to see the bill go through the committee stage, and they agreed that with extra hours we could get it out of the committee on Tuesday night. Either they have no stamina or no guts, because when it came to the crunch they could not follow through on their promise and they reversed themselves completely. When it came to this stage, again we saw them trying to have their cake and eat it too.

Under the rules we have provision 75B where, with the agreement of the majority of the House, we can achieve a time allocation agreement. Here was an opportunity for the first time for the PC party to show its true colours. They said they would agree—although they did not quite agree with the bill as it was—to rule 75B and they would not force the government to use rule 75C. Here again they tried to have their cake and eat it too. We could bring in a new rule for the Tories, rule 75BC for those who want their cake and want to eat it too.

But we Liberals are not afraid. We have guts, we can take it. We will not let 17 members out of the 264, a mere 6.4 per cent of the elected members of parliament, stall and thwart parliament and stand in the way of the progress of this government. No, sir; we will take the action in a responsible way and use rule 75C because it will stop the filibuster attempted by the NDP. We have guts enough to do it, and we are doing it.

Mr. Paul McCrossan (York-Scarborough): Mr. Speaker, I listened to the two speakers preceding me with interest. Perhaps I could deal with the last speaker first. I do not think I have heard such a bunch of crap since the speaker before him. Here he is accusing my party of being split on this bill. That is incredible. He tried to suggest that because the hon. member for St. John's East (Mr. McGrath) is concerned about the rather unfair measures in the act, and because the hon. member for York-Simcoe (Mr. Stevens) is concerned the provisions of the bill do not save enough money, that that indicates a split in our party. Not at all. What the heck! That is the essence of our proposal. We are all for restraint. We feel that the government is not saving money intelligently.

• (1722)

The manner in which the government is saving money will create tremendous hardship in the area east of the Ottawa river. The hon. member talked about a split. If he listened to any member of my party, surely it would be evident that two themes have been running through the contributions of every speaker. We are in favour of restraint.

Mr. Breau: You have two teams, one on each side.

Mr. McCrossan: I was referring to themes, not teams. All of my colleagues have spoken in favour of our position. We have a united position.

Hon. members opposite, with the exception of the minister, who have spoken on the bill report stage, have spoken against it. When one talks about splits, surely there must be one opposite when all Liberal members do is attack the bill. In his opening remarks, the minister indicated that he wanted a constructive debate and that he wanted to listen to our position. He should listen to our position as other members of his party have done. They have become convinced by it.

This attempt to limit debate is not an attempt to limit my party so much, although we resent it. It is an attempt on the part of the minister to limit the members of his own party who are speaking out continuously against the bill. The minister indicated that he wanted to hear our positions brought out because he thought there would be some merit in debating them. The minister, several of his officials, and I, have had discussions. Some of our amendments were put forward after discussion with the minister. In a headlong rush to bring in the bill by January 1, the minister is going forward with a bill which he knows is inferior and which he knows will cause severe economic damage.

Mr. Cullen: The hon. member is misleading the House.

Mr. McCrossan: The minister is going forward with a bill which does not contain provisions that his officials feel are

necessary in term of curbing abuse. If the minister has any courage at all, the measure will be back in the House in a matter of months. The effects of this bill will create heardships in the area east of the Ottawa river. The government will be forced to alleviate them.

We have proposed two basic types of amendments which we wanted to discuss rationally. The first area of saving money should be an area where most Canadians feel abuse is centred. I am referring to people who quit their jobs for unjust cause. That should be the cornerstone. If one is looking to save money in a program, one must look at the areas of abuse. One cannot cut off people because they cannot find work when there is no work available. One goes after the people who are choosing not to work and choosing to collect.

Some hon. Members: Hear, hear!

Mr. McCrossan: The minister recognized this in discussions with his officials and myself. Our approach is a constructive one. It will save more money than the minister's approach. It will cause less hardship. It is interesting that not just members of the opposition support our approach and condemn the government's approach. It is not just the officials who feel we are on the right track. We have the Economic Council of Canada on our side as well.

Prior to the publication of the bill, the Economic Council of Canada conducted a review of the unemployment insurance situation. It warned against measures such as the repeater and new entrants ones which the government introduced. I should like to refer to the Economic Council of Canada discussion paper, which reads in part as follows:

A recent opinion poll showed that 60 per cent of Canadians felt that the minimum of eight qualifying weeks is too short and that eligibility based on 20 to 27 weeks would be more appropriate . . . A policy decision with respect to the minimum number of qualifying weeks should take into account the economic impact and abuses of the program. However, on equity and hardship grounds, the above popular belief cannot be supported . . . it cannot be concluded that employees with less weeks of work have a higher expected relative cost ratio. The results of this paper . . . indicate that employees with fewer weeks of work would, in the absence of unemployment insurance—

That is what the minister is talking about, cutting them off completely. It continues:

—be subjected to higher financial hardship. This finding should be taken into account when a political decision is made with respect to the minimum number of qualifying weeks.

This is a situation where a government-funded organization warned in advance of the bill against introducing the types of measures which the government introduced. The bill is a headlong rush to bring in anything which will reduce the deficit next year.

I understand why hon. members opposite are concerned about the size of the deficit next year. I understand why they feel that this is an area in which to save money. But it is evident to everyone who has attended the meetings and listened to the evidence that the government brought in ill-conceived and hastily conceived measures which will not do the job. These measures will do a tremendous amount of harm around the country, which is why we feel we cannot support the bill.

Members of the government and committee members who attended the hearings looked at the impact of the bill. Many, many times the terrible effects of this bill have been brought forward, but I should like to bring them out once more. At the present time there is an unemployment rate of 8.3 per cent seasonally adjusted as of last month. There are only four provinces below the average rate of unemployment, Ontario, Manitoba, Saskatchewan and Alberta. The government's proposed measures will affect the provinces with low unemployment proportionately less severely than the provinces with high unemployment.

If one looks at the repeater and new entrants provisions, the proposed measures will affect 10 per cent of the unemployed in Newfoundland, 20 per cent in Prince Edward Island, 11 per cent in Nova Scotia, 12 per cent in New Brunswick, and 10 per cent in Quebec. In other words, the amendments will have maximum effect on areas with the highest rates of unemployment.

As several hon. members have pointed out, the 11.5 per cent relief rate for the repeater provision is a temporary salve. As the hon. member for St. John's East pointed out, Newfoundland and some of the other less-advantaged areas will be in terrible straits if they ever manage to bring down their unemployment rates below 11.5 per cent. As a result of the government's legislation and the new entrants and repeater provisions, if these areas manage to bring their unemployment rates below 11.5 per cent, the effects are just fantastic. Approximately 18 per cent of the unemployed in Newfoundland would be disqualified, 20 per cent in Prince Edward Island, 14 per cent in Nova Scotia, 19 per cent in New Brunswick, and 12 per cent in Quebec. The effect on the more prosperous areas is minimal, 6 per cent in Alberta and 8 per cent in Saskatchewan. Nearly one out of five to one out of six of the unemployed in less prosperous areas of the country will be affected by these provisions, and that is why we object to them.

We are proposing provisions which will eliminate abuse, spread the load fairly across the economy, and get at the abuse where it is likely to be concentrated, in the middle and upper middle class income families in central and western Canada. The government is going after money in any manner. Its proposals will affect one out of five to one out of six people in the Atlantic regions and in Quebec.

I see why the government wants to cut off debate. It is because the bill cannot stand up to scrutiny. Even hon. members opposite recognize that it is a bad piece of legislation. Repeatedly members across the way have spoken against it.

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

• (1732)

Mr. Bob Rae (Broadview): Mr. Speaker, I think we should all be clear as to what the fuss is all about. It is all very well for the minister, his parliamentary secretary, the hon. member

for St. John's West (Mr. Crosbie) and everybody else to say that we are here simply in the spirit of negativism, that we do not have any constructive proposals to put forward, that this bill attacks abusers and has the effect of getting rid of all the cheaters in the unemployment insurance system, and that we are in favour of the abuse, the cheaters and the ripoffs, but it is not true.

It is very easy for people to say these things, especially considering the current mood the country is in, people like the hon. member for LaSalle-Émard-Côte-Saint-Paul (Mr. Campbell), who does not even know what the subject of the bill is and has not read it. These are the people who are speaking on behalf of the government and who represent the combined intelligence of the Liberal party, and who tell us that half the unemployment recipients in Canada are cheaters and abusers. That statement by the hon. member was a very revealing one, and, just as sometimes in the course of a slip of the tongue one gives the whole game away, the hon. member gave the government's game away. It has, in a haphazard and slipshod manner, brought forward legislation which has not been seriously examined in committee. In fact neither the minister nor his parliamentary secretary considered any of our amendments. They never considered any of the savings which would result from the amendments.

Mr. Maine: That is not so.

Mr. Rae: There was certainly no indication to me, and I was at many of the meetings arguing for the hon. member for Nickel Belt (Mr. Rodriguez) when he could not be there, and I was there when he was there arguing just as vigorously as he was about certain of these measures. I indicated the philosophy of the bill. We had just as many statistics as the Tories to show what the effects were. I can rattle off statistics which will illustrate the fact that the government has not put a trigger in the bill for the new entrants which will cost $300 million and in the Atlantic provinces alone, $70 million will be saved because it will not go to those provinces. I can cite the fact that the 10 per cent cut in benefits will have a dramatic effect on income maintenance in this country, that according to the Metropolitan-Toronto Social Planning Council if an individual is on unemployment insurance for 16 weeks the child tax credit—which the Minister of National Health and Welfare (Miss Bégin) is so proud of—will not have any effect.

We have to recognize the fact that this government is walking on two legs, one leg is going in one direction and one leg is going in another direction, and the split has been inevitable.

This bill is doing three things. First, it is cutting back benefits by 10 per cent. What possible relationship could that have to the concept of abuse? That measure does not attack the abusers or cheaters but everybody, whether or not they are legitimately on unemployment. It is not a strict reading of the law, but a cut in the level of incomes of people who are unemployed. Canadians should understand that and it should be driven home to them.

The press has been saying that the NDP is opposed to tightening. We are not opposed to tightening or cutting back on benefits to people who are cheating. What we are opposed to, however, is an indiscriminate attack on working people. This bill does not discriminate between people who are deserving and people who are not deserving. It says that everybody regardless of where they come from, will receive a 10 per cent cut in benefits.

The second thing which this bill does is that it makes it difficult for those entrants, regardless of where they are from, whether it be a high employment area or a high unemployment area who will be cut from the program. Their requirements—

[*Translation*]

Mr. Deputy Speaker: Order, please. It being 5.36 p.m., the two hours provided for the consideration of the motion before the House under Standing Order 75C have expired.

Consequently, pursuant to this Standing Order, it is my duty to interrupt the debate and forthwith put all questions necessary to dispose of the motion.

[*English*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Cullen), which was agreed to on the following division.

(*Division No. 18*)

YEAS

Messrs.

Allmand	Cafik	Condon
Andres (Lincoln)	Campagnolo (Mrs.)	Corriveau
Appolloni (Mrs.)	Campbell (Miss) (South Western Nova)	Cullen
Béchard	Campbell (LaSalle-Émard-Côte Saint-Paul)	Cyr
Bégin (Miss)	Caron	Danson
Blaker	Chrétien	Daudlin
Boulanger	Clermont	Dawson
Breau	Collenette	De Bané
Buchanan	Comtois	Demers
Bussières		Dionne (Northumberland-Miramichi)
Caccia		

Allotment of Time for Bill C-14

Messrs.

Douglas (Bruce-Grey)
Duclos
Dupras
Duquet
Ethier
Fleming
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Gray
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Horner
Jamieson
Johnston (Westmount)
Joyal
Kaplan
Lachance
Lalonde
Lamontagne
Landers
Lang
Langlois
Lapointe
Lavoie
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
Loiselle (Saint-Henri)
MacDonald (Cardigan)
MacEachen
MacFarlane
MacGuigan
Maine
Marceau
Marchand
Martin
McIsaac
McRae
Milne
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pearsall
Pelletier
Penner
Philbrook
Portelance
Prud'homme
Railton
Raines
Reid
Roberts
Robinson
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Wood
Yanakis
Young—110.

NAYS

Messrs.

Alkenbrack
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Bawden
Beatty
Beaudoin
Benjamin
Blackburn
Brewin
Brisco
Cadieu
Caouette (Villeneuve)
Caouette (Témiscamingue)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crombie
Crosbie (St. John's West)
Crouse
Darling
de Cotret
Dick
Ellis
Elzinga
Epp
Faour
Firth
Forrestall
Gauthier (Roberval)
Gillies
Grafftey
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hees
Hnatyshyn
Holmes
Howie
Huntington
Janelle
Jarvis
Johnston (Okanagan-Kootenay)
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Lawrence
Leggatt
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
Macquarrie
Malone
Masniuk
Mazankowski
McCain
McCrossan
McGrath
McKinley
McKinnon
Muir
Murta
Neil
Nowlan
Nystrom
Orlikow
Paproski
Parker
Patterson
Peters
Pigott (Mrs.)
Rae
Ritchie
Rodriguez
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shymko
Siddon
Skoreyko
Stanfield
Stevens
Stewart (Marquette)
Symes
Towers
Whiteway
Woolliams—90.

● (1752)

Mr. Speaker: I declare the motion carried. It being six o'clock, this House stands adjourned until tomorrow at two o'clock.

At 6.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 21, 1978

The House met at 2 p.m.

• (1407)

ROUTINE PROCEEDINGS

[*English*]

THE PARLIAMENT OF CANADA

SUGGESTED FIXED DATES FOR CHRISTMAS RECESS—MOTION UNDER S.O. 43

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, in view of the fact the present government has repeatedly demonstrated its inability to plan House business in an orderly fashion, with the result that its belief in Santa Claus has been put into serious doubt and the family plans for all those connected with the Parliament of Canada have been disrupted, giving evidence to the government's lack of concern with women, I move, seconded by the hon. member for Ottawa-Carleton (Mrs. Pigott):

That this House urge the government House leader, regardless of what party he may belong to at the pertinent moment, to adopt a fixed range of dates for the Christmas recess, with such recesses commencing on a day no later than two weeks before Christmas and ending on a day not later than two weeks after Christmas.

Mr. Speaker: The introduction of such a motion for debate at this time would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Paproski: Allan MacEachen said "No". Ebenezer!

* * *

VETERANS AFFAIRS

CALL FOR REVIEW OF DISABILITY PENSIONS TO MAINTAIN LEVEL DESIGNATED IN PENSION ACT—MOTION UNDER S.O. 43

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

That this House notes that the amount of the 100 per cent war disability pension, even with the indexation now applied thereto, has already slipped below the composite level of public service salaries to which it was attached by legislation passed in June of this year, and this House calls on the Minister of Veterans Affairs to review this situation, and that he bring in legislation, early in 1979, to tie the rate of the 100 per cent disability pension to the composite level designated in the Pension Act so that this level will be maintained on a continuing basis.

Mr. Speaker: Introduction of such a motion for debate at this time would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AIR TRANSPORT

PROPOSED ESTABLISHMENT OF SPECIAL COMMITTEE TO STUDY REGIONAL AIRPORTS—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with a very important matter of pressing necessity.

For some areas in Canada air transport is essential, especially when several regional airports such as that of Val-d'Or are not given the necessary investments by the Department of Transport to ensure adequate services to passengers, since there is no real development policy for air transport in Canada and that the lack of such policy especially affects regional airports, I move, seconded by the hon. member for Lotbinière (Mr. Janelle):

That the House set up a special committee made up of two representatives from each party to launch an inquiry on the present condition of regional airports in Canada, to hear all necessary evidence and to report to the House which will consider the recommendations and means to develop a comprehensive policy of regional air transport.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, such a motion can be presented for debate only with unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*English*]

AIRPORTS

PROPOSED CLOSING OF CONTROL TOWER AT ST. JOHN'S, NEWFOUNDLAND, AT CERTAIN HOURS—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that the Minister of Transport (Mr. Lang) threatens to close the control tower at St. John's airport from 12 midnight to 8 a.m., despite many thousands of landings and departures during those hours in the course of the year and despite the danger of fog and deteriorating visibility at St. John's airport at certain periods of the year, in order to save the department two man-years, or about $40,000 to $50,000 each year, and in view of the fact that this will mean loss of the only landing aid on an east runway, the GCA unit, plus the downgrading of the ILS on the main runway from category 2 to category 1, plus a decrease of the safety standards of the airport, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this decision be reversed, with a saving of $40,000 to $50,000 per year by the department to be achieved by the involuntary retirement of the two most senior of the advisers of the Minister of Transport who made this cost-cutting suggestion, and that the minister treat this decision in the same manner as he treated the planned lay-off of 30 security personnel at Gander, recently cancelled even though the security personnel are described as non-essential, while essential air traffic controllers are to be removed from service at St. John's.

Mr. Speaker: This motion can be introduced only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1412)

CANADIAN BROADCASTING CORPORATION

ALLEGED PERSECUTION OF RADIO-CANADA PERSONNEL—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent necessity pertaining to the international service of the CBC and, in particular, Mr. M. Mogilansky, formerly head of the Russian section of Radio-Canada International who was ignominiously and unwarrantedly demoted, along with certain others, following revelations I made in this House a year or so ago that there was political interference by external affairs in programs broadcast to the Soviet Union.

I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the Secretary of State responsible for the CBC make a full statement as soon as possible on the release from service to be effective April 1, 1979, of Mr. Mogilansky and of 30 members of Radio-Canada International's research branch; that he specifically guarantee an end to internal persecution of Radio-Canada personnel by the government because of refusal to tolerate political manipulation of the broadcast media.

[Mr. Speaker.]

Mr. Speaker: Such a motion can be introduced only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RESEARCH

REQUEST FOR STATEMENT ON FUTURE OF FISHERIES AND FORESTRY RESEARCH LABORATORIES—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Burnaby-Richmond-Delta): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing importance.

In view of the uncertain future faced by several hundred government employees at the federal fisheries and forestry research laboratories across Canada arising from prolonged indecision on the part of the Liberal cabinet, and recognizing the numerous multimillion dollar boondoggles which have resulted from past cases of on-again, off-again decisions by this government, I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the Minister of the Environment, in an overwhelming sense of Christmas compassion, make a definitive statement concerning the future of these important laboratories, thus letting the employees at these institutions make career choices of importance to themselves and their families, so that they, too, might enjoy a happy new year.

Mr. Speaker: The introduction of such a motion for debate at this time, pursuant to Standing Order 43, can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

"THE ROAD AHEAD" CIRCULATED BY FORMER MINISTER OF FINANCE

Mr. Sinclair Stevens (York-Simcoe): In the absence of the Prime Minister, I will address my question to the Minister of Finance. My questioning centres on a newly-disclosed missile from our friend, John Turner, entitled "The Road Ahead".

In his September 22 epistle, Mr. Turner describes his attitude with regard to what transpired following the Bonn conference. In the letter, Mr. Turner points out that he feels that upon the Prime Minister's return to Canada, his insistence is going ahead unilaterally with his August 1 statement undermined cabinet ministers and got rumours running about who is in charge. Does the Minister of Finance feel he has been

undermined due to the Prime Minister's unilateral action since his return from meeting Helmut Schmidt in Bonn?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I do not feel like a man who has been undermined. The way in which the budget was received by the business community is proof that the management of the economy is all right. These documents written by Bill McDonald and subscribed to by Mr. Turner, are just a gossip column that you can get from any newsstand in Toronto for 15 cents.

Mr. Stevens: Granted, the dollar is falling quickly, but the price is actually $15,000, Canadian, not 15 cents. The Minister of Finance says he has not been undermined, although he appears to be undermined. In view of the fact that when questioned by Global TV today, the Minister of Finance said he was expecting a second apology from Mr. Turner, will the minister indicate whether he has received that second apology with regard to yesterday's revelations and, if not, when does he expect it?

• (1417)

Mr. Chrétien: Mr. Speaker, I do not know why the hon. member is so anxious to ask questions about it. I can understand his frustration, though, if he paid $15,000 to get the information.

Some hon. Members: Oh, oh!

Mr. Stevens: Again to the Minister of Finance, Mr. Speaker. I can assure the hon. gentleman that I have not had to pay the $15,000, and if he would like to share in my good fortune I will pass the various letters across to him as I receive them.

My final supplementary question to the minister is: when does he intend to take concrete steps to renew the morale of the public service which has been somehow affected, according to Mr. Turner, as a result of recent actions taken on the economic scene? What, specifically, will the minister do to start shoring up the dollar which is now literally at an historical low? If you go back to 1858, you will find the dollar has never been as low, on average, as it is this year.

Mr. Chrétien: It took a long time for the hon. gentleman to get around to asking a question which is pertinent to my area of responsibility. Our policy of allowing the Canadian dollar to float is well known. This morning the dollar was strengthening. When you have a currency which is free-floating, you have to rely on the market to determine its level.

FORECAST OF RATE OF GROWTH

Mr. James Gillies (Don Valley): My question also is directed to the Minister of Finance, Mr. Speaker. I am sure the hon. gentleman knows that historically Canada has always enjoyed a strong position and reputation in international circles for the role it plays in the development of economic policy, particularly Bretton Woods and the International Monetary Fund.

Would the minister tell us if it was his department which advised the Prime Minister of Canada to make the commitment, not only for the government but for all Canadians, at Bonn for a 5 per cent rate of growth in Canada during the course of the next year to help the Third World countries, when it was clearly evident to almost everyone in Canada that we had no opportunity whatsoever of fulfilling that commitment?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, when we were at Bonn it was in the context of a decision by many countries to try to stimulate western world economies. Of course we wanted to do our part and we wanted to stimulate our own economy as much as we could. That is why we have proposed measures to place the Canadian economy on a good footing. In fact, we are doing well in comparison with others. This year we will have a record trade surplus. There is a big increase in our consumer spending and our job creation program. If all the other countries could contribute as much as we are at this time, I am sure we would all be better off.

Mr. Gillies: I think the hon. gentleman misunderstood the import of my question. Very simply, it is that at Bonn—and the Prime Minister made this statement—we were not observers; we made commitments. The commitment which was given to the nations of the world was that we would benefit by a 5 per cent rate of real growth during the course of the next year. We now know that it will be around 3.3 per cent.

I ask the minister two questions. First, why would the Prime Minister of Canada, on the advice of his ministers, put Canada in the invidious position of making a commitment which could not, and cannot, be fulfilled and which it was known at the time could not be fulfilled, thereby lowering the credibility of Canada in the eyes of all the other economic ministers in the world?

Second, what does the Minister of Finance intend to tell the Prime Minister to say to Mr. Schmidt at the conference after Christmas? How will he explain why, having made a commitment in August, we have to renege on it in December because the growth rate has been only 3.3 per cent?

[*Translation*]

Mr. Chrétien: Mr. Speaker, last July, when we were in Bonn, we merely told our colleagues who attended that meeting that we expected the rate of growth to be 5 per cent at the time when I brought down my budget barely two months before. Since then, the world economy has suffered many setbacks, such as the fall of the American dollar, the increase in interest rates as a result of the devaluation of the American dollar, and other factors such as those which have slowed down our own economy. I feel that we cannot isolate Canada from current world problems.

● (1422)

[*English*]

LABOUR CONDITIONS

INSPECTIONS RESPECTING HEALTH AND SAFETY STANDARDS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Minister of Labour, if I can get his attention. I would like to ask the minister if it is a fact that his department is ending the contract arrangements which it had with the provincial departments of labour under which those departments inspected premises of companies such as railway companies, airline companies and grain elevator companies whose employees come under federal jurisdiction with regard to health and safety standards.

Hon. Martin O'Connell (Minister of Labour): Mr. Speaker, I believe that is the case, but I would like to take the question as notice and brief myself further on it.

Mr. Orlikow: Mr. Speaker, when the minister is looking into the question, would he look into what we have been told by reliable sources, that is, that under the contract arrangements which have been in effect with the provinces, funds were provided for the payment of salaries to about 40 people, a number which many workers and their unions felt was inadequate to do a proper job of inspection and supervision; and would the minister inquire whether the proposal now being discussed—and, I presume, implemented in his department—will mean that those 40 people will be replaced by only about six or seven people, a number which, if one thinks of the hundreds of thousands of workers and the number of work places involved, is clearly inadequate?

Mr. O'Connell: Mr. Speaker, I will be glad to do that.

Mr. Orlikow: Mr. Speaker, would the minister—

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

* * *

[*Translation*]

ECONOMIC DEVELOPMENT

ALLEGED USE BY MINISTER OF OTHER MINISTERS' STATEMENTS

Mr. Richard Janelle (Lotbinière): Mr. Speaker, my question is directed to the right hon. Prime Minister. Following the statement made by the President of the Board of Economic Development Ministers announcing the participation of the federal government in the reactivating of a backing board plant in Newfoundland and its conversion to newsprint production, and because the Minister of Regional Economic Expansion used to select the programs allotting credits to industries in the so-called designated areas and also announced publicly what they would consist of, I should like to ask the right hon. Prime Minister whether the President of the Board of Economic Development Ministers is trying to steal the limelight for his department by making the announcements that used to be made by the ministers who now work with him?

Right Hon. P. E. Trudeau (Prime Minister): My God, that question is not really very serious, Mr. Speaker. The hon. member should know that the government acts as a government: all the ministers contribute to its decisions.

[*English*]

ROLE OF ECONOMIC DEVELOPMENT MINISTERS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. In appointing the new President of the Board of Economic Development Ministers, is it the Prime Minister's objective that the new president shall direct the operations of those economic development ministers in a way which will overcome their clearly demonstrated lack of knowledge and experience in manufacturing, processing, merchandising and distribution, and in that way require those economic development ministers in future to give to the Canadian business community the kind of service they are entitled to expect but are not receiving today?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

Mr. Hees: Mr. Speaker, does the Prime Minister not realize that the lack of performance on the part of these economic development ministers is the principal cause for the Prime Minister's recent slippery slide down the Gallup "pole"?

Mr. Trudeau: Mr. Speaker, again the answer is no. I point out that the premise is even more inaccurate than the question, because if the hon. member watches statistics he will see that in November, over November of last year, the Canadian economy created some 384,000 jobs, an all-time record.

* * *

● (1427)

GOVERNMENT ADMINISTRATION

USE OF PUBLIC FUNDS FOR LIBERAL ADVERTISING IN ETHNIC PUBLICATIONS

Mr. Jake Epp (Provencher): Mr. Speaker, I would like to direct my question to the right hon. Prime Minister. Is it government policy to use public funds or to make promises that public funds would be made available for advertising in ethnic publications if editors of those publications bought tickets for the Liberal fund-raising dinner which was held in Toronto on Monday?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question is entirely hypothetical and has no foundation in fact.

Some hon. Members: Oh, oh!

An hon. Member: Your credibility is shot even more.

Mr. Epp: I have a supplementary question, Mr. Speaker, which I should like to direct to the Minister of State for Multiculturalism. It concerns a letter to publishers and editors of ethnic newspapers and magazines in Ontario, written by Stan Martyn, president of New Canadian Publications, an advertising agency which has been used by the government to place ads in the ethnic press, an agency which takes approximately 30 per cent as its fee for the service.

I should like to ask the minister whether he knew of the procedure which was being used for the fund-raising dinner, whereby editors of the ethnic press were contacted by Mr. Martyn, and asked to attend the fund-raising dinner and, if they could not pay the $150, New Canadian Publications would deduct $50 a month per ticket from pending government advertising to be placed in that publication.

Some hon. Members: Shame.

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): Mr. Speaker, the premise of that question is equally false. New Canadian Publications is not an agency of the Government of Canada for any advertisements whatsoever. The directorate of multiculturalism places about half a million dollars worth of advertising in the ethnic press in Canada, but does not use the services of New Canadian Publications in any way, shape or form.

Some hon. Members: Hear, hear!

Mr. Cafik: We have an agency ourselves, which is not that agency. They themselves happen to be media representatives on behalf of the ethnic press, not the Government of Canada. I would have thought that the hon. member and his party would have supported the free enterprise function which he happens to represent. The second point that I would make—

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Epp: Supplementary, to the same minister. I should like to ask the minister the following question. In view of the fact that this action did take place through New Canadian Publications and that a letter from Maurice Strong was attached to the memorandum from Mr. Martyn to the ethnic press, would the minister now review his policy on how ads are placed in the ethnic press by his department—he has already identified how much—and say whether that review will take place; and, further, will those editors who chose not to attend that dinner receive the same consideration in the placing of ads in their papers as editors who did attend?

Mr. Cafik: I have already pointed out that there is no relationship whatsoever between the Government of Canada and Mr. Stan Martyn of New Canadian Publications. Our advertisements are placed, without discrimination, on the basis of criteria which all press have to meet to qualify as ethnic press and they will continue to receive advertisements so long as they meet those criteria. It is true that I am reviewing the criteria—

Some hon. Members: Oh, oh!

Mr. Cafik: I announced a year ago that we were reviewing the criteria. In fact, I invited the Ethnic Press Association to advise me as to the recommendations they thought we should accept in terms of determining the advertisements and the criteria for them. You can be assured, Mr. Speaker, as can all members of the House, that there is no relationship between that agency and this government, and that we will advertise in the ethnic media, provided they are legitimate advertisers, to the people of this country.

* * *

● (1432)

[*Translation*]

HEALTH AND WELFARE

INQUIRY WHETHER PRIME MINISTER INFORMED OF CANCELLATION OF CERTAIN PROGRAMS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

Last week, in response to a question by the leader of the New Democratic Party, the right hon. Prime Minister declared that the federal government had simply reduced some program budgets but that no program had been entirely abolished. In view of the fact that the minister is supposed to represent here in Ottawa the low income earners, has she informed the right hon. Prime Minister that the block funding programs for social services, national health resources funds, many housing programs and wheat subsidies, all things which affect mainly low wage earners, have been cancelled? Has she informed the Prime Minister of the present situation?

Hon. Monique Bégin (Minister of National Health and Welfare): I wish to give the hon. member the following information, which he could transmit to several provinces, approximately eight if not more, that all welfare ministers in the country have worked shoulder to shoulder and have fought for their budgets. The provincial ministers told me that they failed to get support from the finance ministers of their own governments and that those finance ministers had identified the social services bill as a target for budget restrictions.

INQUIRY AS TO WHEN MEASURES WILL BE TAKEN TO CONTROL EXPENDITURES AND WASTE

Mr. Heward Grafftey (Brome-Missisquoi): Considering that last week, the Prime Minister stated that no program had been completely cancelled and since the federal government has unilaterally cancelled the home construction program and the subsidies for block funding, when is the Prime Minister going to take seriously the various recommendations of the Auditor General pertaining to the control of federal spending

and wasting of money and quit implementing this restriction policy which hurts primarily low income people?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member is asking a question which is a contradiction in itself because that program has not been abolished. It has been discussed, but it has not been adopted as yet.

* * *

BILINGUALISM

INQUIRY WHETHER INSTRUCTIONS GIVEN BY GOVERNMENT TO ENCOURAGE FRANCOPHONES TO USE FRENCH AT WORK

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the President of the Treasury Board.

The information media have reported that following inquiries in various federal departments, it could be concluded cynically that French-speaking civil servants hinder the progress of bilingualism in the public service, because they are rather reluctant to use French at work. Considering that newspaper headings and other media imply that Francophones are responsible for the difficulty experienced by English-speaking employees in learning the second language, can the minister tell the House whether his department issued guidelines to encourage French-speaking employees to use French at work, or whether this matter stems from the reports which the various departments now have to submit to the President of the Treasury Board, as far as bilingualism is concerned?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, obviously it is not the responsibility of Francophones in the public service to teach French to their English-speaking colleagues. Furthermore, I should say that in the ten years I spent here in Ottawa, the use of French has increased considerably in government circles. Finally, I must say that even if it is government policy in the province of Quebec, with Bill 101, to direct their civil servants and their residents to use a particular language, it is not our policy here. Both languages are accepted in the public service.

* * *

[*English*]

PENITENTIARIES

CONSTRUCTION OF INSTITUTION IN SUDBURY BASIN, ONT.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Solicitor General in his roles as Solicitor General and as minister responsible for northern Ontario.

In view of the promise made approximately a year ago that the federal government was to construct or renovate the Camp Bison site in Ontario as a federal penitentiary, at the time when the Inco lay-offs were announced, that that was announced in the local media and through political sources as something the government would do in the Sudbury basin, and that now rumours are circulating that suddenly the project has been shelved, put off or whatever, will the minister inform the House exactly what is the status of this project at the moment?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, the hon. member is quite accurate. At the time I made the announcement relating to the cutbacks last Tuesday, I announced the revised construction program. Also, I advised the Canadian public, as a result of budgetary restraints and because of readjustments in terms of the prognostication of the prison population, that there was a drastic cutback in the number of institutions. Unfortunately, one of the programs which has been suspended is the Burwash program.

Mr. Speaker, you can rest assured that the decision was taken by me with a great deal of regret and hesitation. However, under the circumstances there was no alternative for me but to cancel that particular institution. I hope that as we proceed there may be some chance we might be able to reconsider the construction of that institution. Because it was a specialized institution dealing with protective custody inmates, unfortunately it was one of the casualties of the cutbacks.

Mr. Rodriguez: Mr. Speaker, in view of the fact that the renovating of the Camp Bison site as a federal penitentiary institution is in line and in concert with the recommendations of the subcommittee on penitentiary services, and that last Thursday or Friday when the Minister of Public Works was in Sudbury to unveil a plaque at the taxation data centre he said, "What the member for Sudbury wants, Sudbury gets", can the Solicitor General live up to that commitment made by the Minister of Public Works and ensure the project is not put off but receives high priority?

Mr. Blais: Mr. Speaker, I can assure the hon. member that representations have been received from a large number of members in northern Ontario who would like to have a facility of that nature in the area. As the hon. member well recognizes, this is an area very close to my own riding. I would have appreciated having that institution in my area as well, in terms of employment prospects for people within my area. Unfortunately, I have an obligation to administer not only a system, a penitentiary service, but also the budget allocated to me by the Government of Canada. I am doing this in accordance with that responsibility and, although the decision was regrettable, it was impossible to avoid.

* * *

URBAN AFFAIRS

DEFAULT RATE IN AHOP

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs.

Will he give us the number of AHOP units in a default position in Canada?

Some hon. Members: Order.

[*Translation*]

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I can certainly answer this question. It can take quite some time. With your permission, however, I shall table the document in question.

[*English*]

Mr. Speaker: Order, please. The question itself seeks an answer which probably should be sought in another way, but that is not primarily for the Chair to decide. There are cases in which a minister may have the answer ready, notice may have been given, but in fact the answer is of such a nature that probably it should be sought in writing.

Mrs. Pigott: Mr. Speaker, one of the problems with this minister is that he does not give anything.

Some hon. Members: Oh, oh!

Mrs. Pigott: Before foreclosure notices are sent out by Central Mortgage and Housing Corporation, will the minister confirm that it will involve 8,000 units in Ontario alone?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I shall start reading and I hope you will let me know when you feel I have replied enough.

As of September 1978, the files of the Central Mortgage and Housing Corporation and those of the lenders of the private sector indicated 144,000 loans have been granted since the inception of the program. There have been 1,287 foreclosures over the same period, which represents a rate of failure of less than 1 per cent. Since 1978, some 1,000 claims have been submitted. Even if we had to discharge all these claims, the number of foreclosures would then increase from 1,287 to 2,287, which represents a proportion far below the 10 per cent figures indicated by the hon. member. In this case, the rate of foreclosures would amount to 2 per cent approximately.

• (1442)

[*English*]

An hon. Member: Mr. Speaker, we know he can read.

Some hon. Members: Oh, oh!

Mr. Ouellet: Mr. Speaker, I could go on and give a much longer explanation.

An hon. Member: Just answer the question.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps the hon. minister would be glad to supply that information in another way.

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is directed to the Minister of Public Works and Minister of State for Urban Affairs. As you know, Mr. Speaker, over the last several weeks we have been raising questions regarding the AHOP program in Canada. Could the minister at least confirm to the House that it is the opinion of CMHC that there is a serious trend in AHOP housing to walk-aways in default, and could he confirm to the House that CMHC's new predictions are in excess of 20,000 defaults or walk-aways in the first couple of months of next year?

Mr. Ouellet: Mr. Speaker, these figures are projections of the hon. member but are surely not projections of the government. Indeed, what I want to say is that whatever may be the number of defaults, it is regrettable to see any defaults at all. The intent of the program is to give a break, in the first place, to people of modest and low income, in providing them with a chance to become owners of homes. In the vast majority of cases—I submit, 98 per cent—this turns out well and these people take advantage of the program and become, and remain for a long period of time, owners of homes in Canada.

Some hon. Members: Hear, hear!

Mr. Ouellet: Unfortunately, there are a few cases where there are defaults. We regret this, but we think this is a good program which benefits 98 per cent of those who take advantage of it and we intend to continue it.

Mr. Whiteway: Mr. Speaker, will the minister assure the House that he will allow CMHC to give us its figures, rather than the minister giving us his? If AHOP is so good, or as good as the minister claims it to be, why is he ending AHOP and going into a credit payment mortgage program?

Mr. Ouellet: Mr. Speaker, I am not ending the program. The advantages of the program are to continue. We are adding another tool, or another option, for people who want to buy homes but do not want to take advantage of the normal mortgage programs. They will be able to benefit from the graduate payment mortgages, a technique that allows someone with a modest income and a bright future to build on that future by paying less interest in the first few years while enjoying the home and paying a greater amount in latter years. This is a good way of giving the opportunity to people of modest income to buy homes earlier in their lives rather than having to wait five, six or ten years until their income increases.

ST. JOHN'S, NEWFOUNDLAND—FAULTY CONSTRUCTION AND INSPECTION OF AHOP HOMES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask a question of the Minister of Public Works and Minister of State for Urban Affairs. He talks about giving low income earners a break. I want to ask him if he is prepared to give a break to the 106 AHOP home owners in St. John's, Newfoundland, whose homes have deteriorated as a result of faulty materials and inadequate inspections, in respect of

which serious allegations have arisen regarding pay-offs? Will he undertake to have CMHC underwrite the cost of repairing these homes which have deteriorated as a consequence?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, in response to this question, the responsibility of CMHC under the National Housing Act is to inspect the housing projects to ensure that the construction work is carried out in reasonable conformity with approved plans and specifications. The question of liability for repairing the houses about which the hon. member is talking, specifically with reference to the failure of exterior bricks, is an important one indeed, and I appreciate that.

I want to say to the hon. member that there are contractual obligations between the prime contractor, the subcontractors and the suppliers and, of course, between the prime contractor and the suppliers themselves. Therefore, I think that the responsibility in law lies more directly between the purchaser and the contractor, and not with CMHC.

Mr. McGrath: Mr. Speaker, these people will find precious little satisfaction in what the minister has said, because the contractor was in fact set up as a dummy company and it no longer exists. In view of the serious allegations that have been raised on national television in respect of pay-offs by the contractor to CMHC inspectors, has any disciplinary action been taken against the inspectors to whom the allegations have been directed? In view of the allegations, will the minister review the position vis-à-vis the liability of CMHC? Is he prepared, in light of these charges, to make restitution to those low income earners whose homes are deteriorating and whose dreams are being destroyed by his callous attitude toward them?

Mr. Ouellet: Mr. Speaker, I know there have been some allegations made against two inspectors. Since these allegations have been made, the two inspectors have been reassigned to non-inspection duties.

Some hon. Members: Oh, oh!

Mr. Ouellet: Mr. Speaker, I am surprised to see the official opposition denying the fundamental right in Canada of everyone to be considered innocent until proven guilty.

Some hon. Members: Hear, hear!

Mr. Ouellet: These two inspectors have been assigned to non-inspection duties pending the completion of investigations. We have asked the RCMP to help the corporation in these investigations. When the investigations are completed, we will know exactly whether the type of allegation which has been made can be sustained or not.

[Mr. McGrath.]

FOREIGN INVESTMENT REVIEW AGENCY

FIRA REVIEW OF TAKEOVER OF SIMPSONS-SEARS

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. One result of the collapse of the proposed merger of Simpsons and Simpsons-Sears appears to be that Sears-Roebuck of the United States now has effective control of Simpsons-Sears and there has been what amounts, in my view, to a takeover of Simpsons-Sears by Sears-Roebuck.

Will the minister have this development reviewed by the Foreign Investment Review Agency, if it has not started a review already, and if it turns out that the particular circumstances of the matter do not come within the present provisions of the act, will the government present an appropriate amendment so that this kind of situation can be fully reviewed by the government in future?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, this whole question regarding Simpsons-Sears and whether or not it is going to be the final owner of Robert Simpsons, or whether or not the Bay is going to be the final owner of Robert Simpsons, still has to sort itself out in the marketplace. At that time, if there is a question that needs to be looked at either by the Foreign Investment Review Agency or under the Combines Investigation Act, we will do so.

* * *

LOTTERIES

PROMOTION OF LOTO SELECT

Mr. Thomas Siddon (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of State (Fitness and Amateur Sport) in her capacity as the minister responsible for lotteries.

I have learned from reliable sources that some $17,000 was spent for a large supply of foil-wrapped chocolate coins specially made by Laura Secord to promote the ill-fated Loto Select scheme, and that those chocolates have now been absorbed by the staff, so to speak.

Some hon. Members: Oh, oh!

Mr. Siddon: Will the minister confirm that some $17,000 was spent to purchase a supply of foil-wrapped chocolate coins and that these surplus candies have now been given to Loto Canada staff?

• (1452)

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I shall be pleased to look into the matter, in the interests of Christmas good cheer. I am sure, however, that the staff could not absorb all those chocolates even if they tried, because there are too few of them.

Mr. Siddon: A supplementary question, Mr. Speaker, to the minister responsible for Loto Canada. An American college professor has stated that he has been commissioned by Loto Canada to write a promotional book about Canadian lottery winners which would describe the changes wrought in the lives of Canadians who were big winners.

Is it true that Mr. H. Roy Kaplan of Buffalo, New York, has been commissioned to write such a book? If so, what are the financial arrangements with Mr. Kaplan, and why has the job not gone to one of our many thousand talented Canadian writers?

Mrs. Campagnolo: Mr. Speaker, the Kaplan report was covered in very large measure in the last issue of *Maclean's* magazine. I would suggest that the hon. member read it. It has some very interesting statistics, such as that the average winner in French Canada—

An hon. Member: Answer the question.

Mrs. Campagnolo: —makes $17,000 per year, and the average winner in English Canada makes $22,000 per year—

An hon. Member: Answer the question.

Mrs. Campagnolo: —and Canadian winners are extremely intelligent in their investment in Loto Canada because they are able to maintain most of the dollars in their bank accounts.

* * *

IMMIGRATION

REQUEST ECUADOR PARAPLEGIC BE ALLOWED TO REMAIN IN CANADA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question which I intended to address to the Minister of Employment and Immigration, but because of its urgency I will address it to his parliamentary secretary.

One, Arviles, a paraplegic from Ecuador, has just been given a departure notice requiring him to leave Canada, despite an offer of employment and the fact that he can get treatment in Canada that is not available to him in Ecuador. Would the minister exercise the discretion he has under the act to grant a permit on compassionate grounds to allow this man to stay in Canada?

Mr. Frank Maine (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, this is indeed a very important case which the hon. member for Niagara Falls has already brought to our attention. We have been working on it at some length. The father of Herman Arviles has an auto parts business in Ecuador and has requested his son's return so that he could be assisted in finding a job in Ecuador.

Mr. Brewin: A supplementary question, Mr. Speaker. Despite what his father may say, this man needs treatment in Canada. I should like to ask whether the parliamentary secretary believes that this refusal of a permit is consistent with the humanitarian purposes pronounced in our Immigration Act and frequently boasted of by the minister?

Mr. Maine: Mr. Speaker, we have looked into this case in some detail and with great concern because it is such an important one. We feel that the Government of Canada is doing what it should be doing, taking into account the interests of all parties concerned.

* * *

URBAN AFFAIRS

REIMBURSEMENT FOR AHOP HOMES DAMAGED THROUGH FAULTY WORKMANSHIP

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I have a question for the Minister of Public Works and Minister of State for Urban Affairs. I have made a number of representations to him about the people who have been taken for a ride in Bear Creek Estates.

Now that the minister has introduced compulsory insurance for those home owners going into the AHOP program, he is admitting that some of these low income people have been ripped off by unscrupulous contractors. Will the minister now admit that some of these low income home owners who trusted the government and government programs deserve to have the funds they expended reimbursed because their AHOP homes have lost their value since they invested in them? These homes have now depreciated in value.

[*Translation*]

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I think there is a fundamental mistake in the hon. member's question which must be clarified.

Of course the government has subvention programs to help individuals buy their own house. This is one of the most important aspects of the roles of the Central Mortgage and Housing Corporation. Its other role, which is its first and most important one, is to guarantee or grant loans for the construction of houses in Canada. As far as that role of banker is concerned, the responsibility of the Central Mortgage and Housing Corporation cannot be greater than that of a regular bank. So, it is the responsibility of anyone who borrows money to buy a house to make sure that he is buying a good quality product. If he gets a bad quality product, it becomes his responsibility to take action against those who sold him such bad product.

[*English*]

Mr. Friesen: A supplementary question, Mr. Speaker. I think the minister missed the point, which is that it is not only the responsibility of the home buyer to look at the bank loan, but it is the responsibility of the government to honour the trust that citizens put in it. When the government sends inspectors who do not do a proper job of inspection, the home owners again become the victims. Will the minister honour

that commitment and honour the trust which people put in this government when they buy a home under a government-sponsored program?

[*Translation*]

Mr. Ouellet: Mr. Speaker, as I have already indicated, the inspection duties of CMHC officers is to ensure that the loan, or the security of the loan is given for the reasons it was granted. That has nothing to do with municipal building standards, according to a certain zoning or according to certain plans and specifications approved by municipal authorities.

Consequently, when the hon. member says that the inspections made by CMHC officers were supposed to ensure building quality, he is giving these officers a responsibility which they never had in the first place.

* * *

[*English*]

AIRPORTS

UPGRADING OF FIRE-FIGHTING EQUIPMENT

Mr. Bob Brisco (Kootenay West): Mr. Speaker, in the absence of the Minister of Transport may I address my question to the parliamentary secretary?

In the light of a report carried in the Calgary *Herald* that victims of the plane crash at Cranbrook may well have survived—indeed, did survive—the crash but died subsequently of toxic fumes, and the fact that they would have survived if there had been adequate fire-fighting measures at the Cranbrook airport, is it the intention of the ministry to upgrade fire-fighting facilities at Cranbrook, Castlegar, Kelowna and similar airports?

[*Translation*]

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I do not have all the details which would allow me to reply adequately to the member's question. Therefore, Mr. Speaker, if you and the hon. member will allow me, I would like to come back to it and discuss this personally with him by tomorrow.

* * *

[*English*]

TRADE

TRADE AND CONVENTION CENTRE IN VANCOUVER, B.C.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In one of his visits to the House last week, the hon. member for Vancouver Centre called the attention of the minister to Canada's status as a Pacific rim country and to Vancouver as Canada's gateway to the Orient.

[Mr. Friesen.]

In view of the minister's avowed intention to promote foreign trade for Canada, can he tell the House whether the government has accepted the case put by the British Columbia trade delegation and whether his department will co-operate with the provincial and civic governments to ensure the creation of the proposed trade and convention centre in downtown Vancouver?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I have met on two different occasions with the mayor of Vancouver and representatives of the British Columbia government to discuss their proposal to build a trade centre in Vancouver. It is a very interesting proposal, and when we can work out all the details we will consider it again.

Mr. Clarke: A supplementary question, Mr. Speaker. Is the minister aware of the urgency of the situation, in view of the plan that Seattle has for a similar centre which would detract from the benefits of the Vancouver centre to Canada?

Mr. Horner: Mr. Speaker, I think the problem was that neither the city of Vancouver nor the government of British Columbia wanted to assume the operating costs, whether there would be a profit or a deficit and, if there was a deficit, who would be picking up the operating costs. I think once the city or the province agreed on something like that, certainly the project might go ahead.

* * *

● (1502)

OFFICIAL REPORT

DELETION OF CERTAIN REMARKS OF HON. MEMBER FOR SOUTH WESTERN NOVA

Mr. Speaker: Order, please. A few days ago the hon. member for Dartmouth-Halifax East (Mr. Forrestall) raised a problem which related to the faithful recording of the remarks of another hon. member in *Hansard*. This was in connection with a debate I believe on a previous evening. That has caused us, as one would expect, to verify the circumstances and determine the cause. I wish to inform the House that we have been able to identify the cause, which lies not with any intervention by any member of the House of Commons but rather one within the *Hansard* reporting staff itself. We are examining the matter to determine the reason for the alteration, and after further investigation we will be glad to bring the details to the attention of both members involved and to the House if necessary.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I want to extend my apologies to the hon. member for South Western Nova (Miss Campbell) for any inference to the effect that she may have doctored *Hansard*; and I just remind her, through you, Mr. Speaker, that while this problem is removed, her dilemma with the bill later this day is not, and we are expecting her support.

ROUTINE PROCEEDINGS

[*English*]

JUSTICE AND LEGAL AFFAIRS

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

* * *

STATISTICS ACT

AMENDMENT RESPECTING PROVISION OF INFORMATION

Miss Flora MacDonald (Kingston and the Islands) moved for leave to introduce Bill C-452, to amend the Statistics Act.

Some hon. Members: Explain.

Miss MacDonald: Mr. Speaker, the purpose of this bill is to remove from the Statistics Act the penalty provisions contained in section 29 which are directed against those individuals who refuse to answer questions on Statistics Canada surveys. The two exceptions to that bill would be questions contained in any census of population or agriculture. This bill is especially relevant at this time in view of a court case in British Columbia in which a citizen was charged with refusing to provide census information about what she considered personal matters. The decision in that case is pending.

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

* * *

BANK ACT

AMENDMENT RESPECTING STANDARDIZATION OF BANKING FORMS

Mr. Stewart Leggatt (New Westminster) moved for leave to introduce Bill C-453, to amend the Bank Act (standard forms).

Some hon. Members: Explain.

Mr. Leggatt: Mr. Speaker, the purpose of this bill is to ensure that the forms used by banks in their dealings with the public are standardized as far as possible and kept up to date with provincial law. The basic problem is that under search and seizure legislation in the provinces the banks have failed to amend their own forms to comply with provincial law, and the public, in dealing with the banks, are being misled by the forms. As a result they have to pay for deficiencies after seizures. This bill would correct that.

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

GOVERNMENT SPENDING PROGRAMS DISCLOSURE ACT

MEASURE RESPECTING PROVISION OF ECONOMIC IMPACT STATEMENT

Mr. G. W. Baldwin (Peace River) moved for leave to introduce Bill C-454, to provide for an economic impact statement to accompany certain Bills and regulations.

Some hon. Members: Explain.

Mr. Baldwin: Mr. Speaker, this bill provides that when any bill or statutory instrument is introduced dealing with the appropriation of public funds, it shall be accompanied by an economic impact statement giving the initial and ongoing cost, a cost-benefit analysis, and other related information.

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

* * *

ANNUAL REPORTS ACT

MEASURE RESPECTING PROVISION OF FINANCIAL STATEMENT AND RELATED INFORMATION

Mr. G. W. Baldwin (Peace River) moved for leave to introduce Bill C-455, to provide for the inclusion of certain information in the annual reports of government departments and agencies.

Some hon. Members: Explain.

Mr. Baldwin: Mr. Speaker, this bill provides that when by law any government minister or agency is compelled to file an annual report, in addition to the usual exculpatory, self-serving and glossy material which finds its way into the report, there shall be as well a proper financial statement with any comments made by the Auditor General or any committee, along with other related information, so the public will know what is going on in that department or agency.

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

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Before we leave this part of the proceedings, Mr. Speaker, I wonder if the government House leader would let me know whether he is in a position to indicate to us what business, its priority and the order if he can, the House will be dealing with when it returns on January 23. We have discussed that subject and the government House leader indicated that he would do his best to comply. If it is impossible to do so today, I will be very pleased to stand down and ask the question tomorrow.

Mr. MacEachen: Mr. Speaker, I think I can provide much of the answer today. When we return in January I propose to

call Bill C-9, the referendum bill; Bill C-13, the Electricity Inspection Act and the Gas Inspection Act; Bill C-2, the Health Resources Fund Act; Bill C-24 a bill relating to the Two-Price Wheat Act; Bill C-29, a bill relating to the National Housing Act; and Bill C-27, respecting the Post Office Act. Certainly I would call Bill C-9, the referendum bill, first and the order of the others might be varied. However, that is the block of bills I would want to deal with when we get back.

Mr. Baker (Grenville-Carleton): Mr. Speaker, this is a business question but it is not directed to the leader of the government. My question is directed to the Minister of Public Works. During the question period the minister was reading from a document in answer to a question. This answer became rather lengthy during the course of his dissertation to us, and he indicated that he would be prepared to table the document from which he was speaking, or alternatively the information that was contained therein. Is the minister in a position to do so now and, if not, will he arrange to do that tomorrow?

Mr. Ouellet: Mr. Speaker, I understand the hon. member could put a written question on the subject. I will make sure a reply is given very quickly under the normal procedure.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, with reference to the statement made by the government House leader that we would take up Bill C-9 on January 23, can he say whether that is just for that day or is it intended to stay with that bill until second reading has been completed?

Mr. MacEachen: Mr. Speaker, I would expect to stay with that bill. I would hope that it would clear the House rather quickly, but it is my intention to get second reading.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I have a supplementary question. Could the government House leader tell us, after having just enumerated all the bills, whether he forgot Bill C-12? Did he shelve Bill C-12, which has to do with pensions?

[*English*]

Mr. MacEachen: Mr. Speaker, I have not forgotten about that bill. I will be discussing it later with the President of the Treasury Board who is urging me to bring it forward as quickly as possible. I have not yet finally decided when to bring it forward, but that decision will be made very shortly.

● (1512)

Mr. Benjamin: Mr. Speaker, since the government House leader has not forgotten about that particular bill, may I ask whether he would be good enough to forget about Bill C-24?

Mr. Speaker: Order, please.

Mr. Foster: Mr. Speaker, I want to ask the House leader whether a reference will be given to the Standing Committee on National Resources and Public Works of the Hare report concerning the management of Canada's nuclear waste. A great number of public hearings were held last year and a great deal of work has been done by the staff. In view of the importance of this question and the work that has already been carried out, it is very important that this reference be given to the Standing Committee on National Resources and Public Works in the new sitting. I am interested in knowing if the minister will do that.

Mr. MacEachen: Mr. Speaker, I discussed that with the Minister of Energy, Mines and Resources and I understand he proposes to place a motion on the order paper providing for a reference to that committee.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, the following questions will be answered today: 76, 196, 200, 260, 267, 372, 476, 543, 595, 609, 616, 699 and 724.

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

[*Text*]

P.O.—CANADIAN COAT OF ARMS—SPRINGHILL, N.S.

Question No. 76—**Mr. Jones:**

1. Why was the Canadian Coat of Arms which was originally adorning the Post Office in Springhill, Nova Scotia replaced? Upon whose instructions and by what authority? At what cost?

2. How many other Post Offices in Canada will have the same type of bilingual sign placed in front? Give total costs across Canada. Is this an example of service or restraint?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): In so far as Public Works Canada is concerned: 1. The Canadian Coat of Arms originally adorning the post office in Springhill, N.S. was removed in error by the contractor engaged to instal the bilingual sign. It was replaced by him at no cost to the Government of Canada.

2. Bilingual signs have been ordered for the 2,718 post offices administered by Public Works Canada. It is impossible to say exactly what the total cost of all bilingual signage in front of post offices across Canada will be as there is no single cost. The expenditures will all be different as all projects must take into account such variables as the size of the sign, the cost of construction, the cost of installation and shipping charges. However, a ballpark manufacturing cost has been estimated at $1,685,160 exclusive of installation and shipping charges. The bilingual signage program is carried out as required by the Official Languages Act and the Federal Identity Program.

U.I.C. OFFICE—OROMOCTO, N.B.

Question No. 196—**Mr. Howie:**

Since January 1, 1977, were studies made regarding the possible establishment of a UIC office at Oromocto, New Brunswick and, if so, has such an office been established and, if not, for what reason?

Hon. Bud Cullen (Minister of Employment and Immigration): Yes, as part of a review of the locations of all manpower and unemployment insurance offices in New Brunswick. No action has yet been taken due to budgetary constraints.

Question No. 197—**Mr. Howie:**

Since January 1, 1977, were studies made regarding the possible establishment of an employment office at Oromocto, New Brunswick and, if so, has such an office been established and, if not, for what reason?

Hon. Bud Cullen (Minister of Employment and Immigration): See reply to written question 196 answered this day.

FARM LABOUR OFFICES—FRASER VALLEY, B.C.

Question No. 200—**Mr. Friesen:**

1. How many farm labour offices were set up in the Fraser Valley in British Columbia in 1978?

2. Approximately how many requests did the offices fill for farm labour?

3. How many farm labour contractors used farm labour offices to supply their requests or as contacts?

4. How many farmers used farm labour contractors, using farm labour offices and referral agencies?

5. How many of the farmers using the facilities of the farm labour offices indicated that they would pay in excess of the minimum wage?

6. How many farmers using the facilities of the farm labour offices indicated that they would pay the minimum wage?

Hon. Bud Cullen (Minister of Employment and Immigration): 1. Three seasonal offices were established in 1978 at Chilliwack, Cloverdale and Richmond. In addition, farm labour services are provided on a year-round continuing basis by the Canada farm labour pool at Abbotsford and the Canada Employment Centre at Surrey.

2. This year, to October 31, the offices made a total of about 10,042 placements.

3. Approximately ten contractors used them to recruit workers and another ten, as contracts for labour market information.

4. Some 75-100 farmers.

5. and 6. There are no minimum wage requirements for agricultural employment in British Columbia.

POST OFFICE—LAWYERS IN PROVENCHER

Question No. 260—**Mr. Epp:**

From June 1, 1974 to date, what lawyers in the Constituency of Provencher were given work by the Post Office Department and what amount was each paid per year?

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of Justice): In so far as the legal agents of the Minister of Justice are concerned: None.

Order Paper Questions

EMPLOYMENT AND IMMIGRATION—LAWYERS IN PROVENCHER

Question No. 267—**Mr. Epp:**

From June 1, 1974 to date, what lawyers in the Constituency of Provencher were given work by the Department of Employment and Immigration and what amount was each paid per year?

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of Justice): In so far as the legal agents of the Minister of Justice are concerned: None.

"OJIBWAY LANGUAGE COURSE OUTLINE"

Question No. 372—**Mr. McKenzie:**

1. What was the total cost of the booklet *Ojibway Language Course Outline* published by the Department of Indian Affairs and Northern Development?

2. How many were (a) printed (b) distributed?

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development):

1. Design $ 831
   Typesetting 2,608
   Printing 6,911
   Total 10,350

2. (a) 5,000 copies were printed.

(b) The booklet was prepared for distribution to federal schools in regions where the Ojibway language is spoken. A small number of copies are being distributed to IAND classroom consultants across the country, and copies will be provided on request to provincial schools or other interested organizations. As the booklet was published only three weeks ago, distribution is only now underway.

FARM LABOUR OFFICES—SASKATCHEWAN

Question No. 476—**Mr. Hnatyshyn:**

1. Were farm labour offices set up in Saskatchewan in 1978 and, if so, how many?

2. How many farm labour contractors used the offices to contact or supply farm personnel?

3. How many requests for farm labour were filled from the offices?

4. How many farmers using the facilities paid (a) the minimum wage (b) more than the minimum wage?

Hon. Bud Cullen (Minister of Employment and Immigration): 1. Six Canada farm labour pools, established prior to 1978, continued operations this year on a full-time, year-round basis. These offices are situated at Moose Jaw, North Battleford, Prince Albert, Saskatoon, Weyburn and Yorkton. No additional offices were opened.

2. None.

3. This year, to October 31, they filled 1,509 requests.

4. There are no minimum wage requirements for agricultural workers in Saskatchewan.

Order Paper Questions

NATIONAL DEFENCE—BUDGET

Question No. 543—**Mr. McKinnon:**

Did the Minister of National Defence make a speech to the Men's Canadian Club of Winnipeg on October 5, 1978 in which he stated that DND's budget for next year was $4.5 billion and, if so (a) is this an accurate figure (b) what part of this increase of $372 million over the 1978-79 budget is accounted for by (i) inflation (ii) real increase in the capital budget (iii) real increase in the overall budget in accordance with NATO commitments?

Hon. Barney Danson (Minister of National Defence): (a) and (b)(i), (ii), (iii) Yes. The Minister of National Defence did refer to a $4.5 billion budget for next year. However, the 1979-80 Estimates-Budget is currently the subject of discussion-negotiation with Treasury Board, and neither the precise total nor details of content have been finalized.

DEPARTMENTAL COMMITTEES

Question No. 595—**Mr. Holmes:**

1. How many inter-departmental and intra-departmental committees are there in the various departments, agencies and Crown corporations and, in each case (a) how frequent does it meet within a fiscal year (b) what is the name of the committee and for what purpose was it constituted (c) how many man-days are used at each meeting?

2. In the case of each committee, were any meetings held outside the City of Ottawa and, if so (a) in what locations (b) at what cost (c) how many persons attended the meeting from (i) Ottawa (ii) other areas of the country?

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): No registry of inter-departmental or intra-departmental committees is maintained, either centrally or within each department. The information requested, therefore, could only be provided by a major expenditure of resources, which is not warranted in relation to the subject matter in question.

CUSTOMS OFFICE—EDMONTON

Question No. 609—**Mr. Malone:**

1. Does a client have to pay storage charges on items (a) that are being cleared (b) prior to their being cleared by Canada Customs and, if so, for what reason?

2. What was the largest payment made for storage at the Edmonton Customs and Excise Office for the period January 1 to November 1, 1978?

3. Is there a maximum length of time an item can be stored and, if so, what is the time period?

4. Is there a shortage of staff to clear items through customs and, if so, for what reason?

5. Do customs officers in Ottawa refuse to answer their telephones when called by brokers in Edmonton in an attempt to obtain clearance on items and, if so, for what reason?

6. Are some shipments cleared in two days and at a later time clearance may require more than a month for a similar shipment and, if so, for what reason is there a variation?

7. Does a client have any recourse to a customs office that unduly holds items and then, in turn, unduly charges the costs to the client and, if so, what is it?

Hon. A. C. Abbott (Minister of National Revenue): 1. Goods imported into Canada, other than parcel post shipments, must be stored before entry is made in a sufferance warehouse for safe-keeping. Sufferance warehouses are not operated by the department and any storage charges assessed are payable to the warehousekeeper in accordance with his scheduled warehouse storage rates.

2. For the period of January 1 to November 1, 1978, the Edmonton Customs and Excise office has not assessed or received any payment for storage charges.

3. Goods may be stored in a sufferance warehouse for 30 days, and in a bonded warehouse for a period of two years. Parcel post shipments may remain in customs custody for 30 days.

4. Staff allocated to goods clearance is considered adequate to facilitate processing and release of shipments directed to Edmonton.

5. Officers in Ottawa are always at the disposal of importers or brokers to discuss customs matters. The clearance of items at local customs is contingent upon the presentation of quality entry documents and the payment of duty and taxes. The clearance function is the responsibility of local customs staff and not of Ottawa personnel.

6. Customs is responsible for the protection of Canadians and the Canadian economy with respect to certain imported goods, and release may be declined until the requirements of other departments or agencies are fulfilled. Unless precluded from granting release by external requirements such as mentioned in the previous sentence, customs shipments are generally cleared within hours of presentation of properly completed entry documents.

7. Subject to the requirements mentioned in part 6 above, goods are not held by customs after formal entry has been made. Once clearance has been granted, the goods are released to the post office, to the importer or to the carrier for delivery to the consignee.

FORESTRY POLICY

Question No. 616—**Mr. Baker (Grenville-Carleton):**

Does the Canadian Council of Resource and Environmental Ministers have committees meeting to examine national forestry policy and, if so, will the government suspend implementation of cutbacks in the operating programme of the Canadian Forestry Service until their report is received in June?

Hon. Len Marchand (Minister of State (Environment)): The Canadian Council of Resource and Environment Ministers is sponsoring a study of some aspects of national forest policy, specifically the current status of the forest resource and measures dealing with its protection and enhancement. Several working groups involved in the study have met, but no report is expected until June 1979. This report will not constitute a national forest policy. The government is not planning to suspend implementation of cutbacks in the Canadian Forestry Service until the report is received.

FISHERIES AND MARITIME PROGRAM

Question No. 699—**Mr. Forrestall:**

Will any activities or projects be curtailed or terminated as a result of the $7,500,000 general reduction to the Fisheries and Marine Programme and, if so, which ones?

Mr. Jack Pearsall (Parliamentary Secretary to Minister of Fisheries and the Environment): The $7,500,000 general reduction to the Fisheries and Marine Program will result in some curtailment and termination of certain activities and projects. Specific programs to be curtailed or terminated will be identified by early January and are currently under review in order to minimize any negative impact.

WAR VETERANS

Question No. 724—**Mr. Howie:**

How many war veterans in Canada have been waiting for more than six months for a decision to determine their (a) entitlement to a disability pension (b) right to an increase in their disability pension?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs):

(a) As of November 30, 1978, 888 applications for pension entitlement at the first decision level were awaiting decision for seven months or more. (Statistics are not available for the six month period).

(b) At any given time fewer than 100 pensioners are waiting more than six months from the time of requesting a medical examination until a decision is reached with respect to a possible increase in the assessment of their pensionable disabilities.

[*Translation*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Are the remaining questions allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

WAYS AND MEANS

EXCISE TAX ACT

Hon. Jean Chrétien (Minister of Finance) moved:

That a ways and means motion to amend the Excise Tax Act, of which notice has been tabled in the House on Thursday, November 16, 1978, be agreed to.

Motion agreed to.

Unemployment Insurance Act

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed, from Tuesday, December 19, consideration of Bill C-14, to amend the Unemployment Insurance Act, 1971, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration, and motion No. 1 (Mr. Leggatt).

Mr. Richard Janelle (Lotbinière): Mr. Speaker, I must say that many things have happened since I began my speech on Tuesday evening. The government has introduced closure on Bill C-14 and has then decided to restrict the time allowed to us and perhaps even to prevent some members from making representations on behalf of their constituency.

First I would like to recall a statement which the Minister of Employment and Immigration (Mr. Cullen) made on September 1, 1978. At that time, the minister explained one of the major objectives of the new amendments to the unemployment insurance legislation. He said: I want to make sure that the unemployment insurance system fully encourages Canadians to look for a job and accept one. I must admit that I agree with those fine ideas but I must also point out that in practice, the minister seems to have forgotten his statement.

It has been said that the money the government will save through these cuts in unemployment insurance benefits will be used for job creation. In my riding the budget for Canada Works has been cut in half this year. Is that job creation? Is that using the money you save to create jobs? Over two years, the reduction will be about $1.5 billion, I think. That reduction represents about 60 per cent of the budget for the so-called economic boost of Canada.

The minister had announced a budget reduction of some $2.5 billion, but because of that federal budget cut, because of that 60 per cent reduction in unemployment benefits, a reduction which is detrimental to low income earners, to those who have less than all others, the federal government passes its responsibility over to the provincial governments which will have to pay these sums through their own social welfare or social assistance programs. People do not live without money, like apples in the trees. The minister says he wants to encourage people to find jobs. I agree with him on that, but at the present time there are about 900,000 people unemployment and only 50,000 jobs available. What can people do? Are they going to divide the jobs by 20 so that everybody can work? Are they going to create enough jobs to find work for everybody on the labour market? I do not think so, especially with a government such as this. The government will say that the provinces are responsible for the present situation. The provinces will have to increase further their taxes to cover the increase in their social assistance and social welfare expenses. These measures will again pit the provinces against the federal government.

Moreover, they have decided to reduce unemployment insurance benefits from 66⅔ per cent to 60 per cent. Once again the people who have the smaller incomes will have to pay more. They will get 6⅔ less in benefits and have to cope with an 8.6 per cent rate of inflation, so that their purchasing power will be reduced by 15 per cent. Are they going to keep on penalizing the meek who need help most?

Ever since I was elected to the House, most of the bills which have been introduced have been detrimental to the poor. This bill is a fine example of this. The unions have denounced this bill. I feel the CSD has clearly expressed my point of view when it said that through this bill and specifically clause 1, the government was penalizing everybody. It was assumed that Quebec workers would rather work than be unemployed and I do believe so too. Second, the federal government must create conditions that will help to create jobs. That is not what it is doing today. Third, the federal government ought to make an all-out attempt to see that workers do not suffer from the closing down of businesses. I think an effort has to be done in that area too. Fourth, the federal government must stop making cuts in its social programs.

That is the opinion of the CSD, a union from where I come from. But the CSD is not the only one that made representations. People in my riding, in cities like Saint-Flavien, Dosquet, Victoriaville and Warwick did send me letters, did make representations so I would rise against this bill which penalizes people. We certainly are not against the fact that cheaters ought to be penalized, we are not against turning down those who abuse the system. But like the Economic Council of Canada, we recognize that four out of five persons who draw unemployment insurance do so because they have no choice. Only a minority of people abuse the system and not the majority of them.

And now they have decided to penalize the majority because of a particular small group. In the administration of all our social legislation, if not all our legislation, we see people who try to cheat. But are we going to change all this legislation? Are we going to make it still more restrictive and penalize the good? I say this on the basis that the good should not pay for the bad inside the system. We should have guidelines, we should have all kinds of possibilities to make our legislation applicable, to prevent cheating as much as possible, but to give all those who are really eligible the social advantages we have.

Furthermore, we are going to penalize our seasonal workers because it will be necessary to have 20 weeks of insurable employment to be able to receive unemployment insurance benefits. In my area there are construction workers who are going to find it difficult to accumulate 20 weeks of employment because of bad weather in winter and of a decline in the construction industry. There are also in my area clothing industries, a very disturbed, and even menaced sector, which does not give employment 12 months a year, unfortunately. The majority of the workers in that industry are women. It will be difficult for those women to meet the requirement of 20 weeks of insurable employment.

• (1522)

We are told that exceptions will be made in areas which will show an unemployment rate lower than 11.5 per cent according to Statistics Canada. There, one will be eligible for unemployment benefits after having worked a lesser number of weeks. But because of these new provisions, a lot of these unemployed people who collect benefits will be dropped off the rolls. There will be no more areas where the unemployment rate will be 11.5 per cent; it will be impossible. They will disappear from the statistics. We know that as of now the statistics are misleading. They say: in your area you have approximately a 12 per cent to 13 per cent rate of unemployment. But that does not mean 12 per cent to 13 per cent unemployed. It does not take into account people on welfare people who have basic needs. Are we just going to say: As for you, you may starve to death. Our social laws no longer apply to you. You are no longer entitled to unemployment benefits. They will have to turn to welfare where there will be hassles, where one will have to kneel in order to try and get something. We have now reached that stage.

Here we are faced with a callous government which does not remember what it is to have a heart, to think of the underprivileged, to think of all the people of Canada who have to be able to live. To me these cuts are not the answer. Women are penalized and we know that in every piece of social legislation they are always the ones hardest hit. Women are penalized as well as young people who are out of school and looking for a job without finding one. Why? Because there are none. The labour market seems to have reached the saturation point, and no new jobs are being created.

In my own riding of Lotbinière in the last year alone it would be easy to count on the fingers of one hand how many new industries did settle in the area. This is not due to a lack of manpower but to a lack of purchasing power on the part of the people. And now a little more of their purchasing power is being whittled down. The sale of our products will be made a little more difficult.

An hon. Member: Go and see them!

Mr. Janelle: An hon. member from the other side tells me to go and see them. I do not think that the Montreal area is in a much better position, not that there is no unemployment there. I think that unemployment is now a national problem. I think that when we are close to the million mark, when there are almost one million unemployed, a responsible government must of necessity confront the problem and take some action in order to help the people.

This piece of legislation seeks to eliminate swindlers. I agree with that and, as I said a moment ago, I am prepared to help the government get rid of swindlers, but some people in my

riding come to see me every week because they have problems with the unemployment insurance, because of the deliberate attempt of some officers to get them out of the system and blame it on the computer, telling them their file has been "set aside" and their cheque might come in four weeks.

People are sick of the present system. Therefore, what will it be like with the new legislation? I regularly defend people with job problems before the arbitration board. Very often, we have to go before the board while the people are perfectly right and the officials could give them their benefits immediately. But they would rather say: Go and see your member of parliament, he will take care of it. In your case, you are lucky, your member of parliament is a Social Crediter. Those people like cases of unemployment. They can deal with them.

In the constituency of Lotbinière, I replaced a man who had done a great job for the entire population and who was thoroughly devoted to the interests of his constituents. I represent the same people and I want to do the same job and always defend the weak, those who need it, the clothing or furniture plant employees, the unemployed, the welfare recipients, those who most need someone humane from their own constituency to serve them and to defend them from this type of bureaucracy.

As for the legislation under consideration, that we shall be forced to pass because of closure, and I am thinking about the bill on unemployment, certain members could have stood up and said something. Last Tuesday, certain government members rose in the House and said that the bill was not very good and would cause problems in their area because of the unemployment figures. I cannot wait to see what these people will do when it is time to vote. Will they truly represent their constituents or will they decide that they must first support their government? I believe that since we are elected by the people, whatever the legislation before us, we should vote according to our conscience and according to what the people whom we represent want us to do.

I know that we do not have much time and I would like as many members as possible to speak about the amendments. There are about 16 amendments to be discussed from now until 9.45, and we certainly do not have enough time to make the necessary representations.

I believe that each member should have the opportunity to say at least a few words about this bill. I shall therefore close my comments by saying that it is essential to change our present systems concerning unemployment and all other social legislation and to implement a universal guaranteed annual income, which would avoid the need for the ministers to rise in the House to say that we must put an end to abuse.

No abuse would be possible as everybody would get it. We would just have to get it back in some other way from those who already have an adequate income. I think we should give everyone a minimum income, an adequate income, so that they will not have to go down on their hands and knees before some civil servant that will crush them a little further down and say: I have a good job, I am paid every week, I do not need you and you will get your cheque when I please.

So I hope, Mr. Speaker, that my remarks will be heard by the Minister of Employment and Immigration and that he will at least make up his mind to withdraw this bill and to improve the unemployment insurance legislation for the sake of all Canadian citizens.

[*English*]

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I am pleased to take part in this debate; I only regret that I am taking part in it in the circumstances in which parliament is forced to deal with this bill, one which has very serious faults in it. What is worse, we are forced to deal with it in a way which prevents improvements, which prevents the House of Commons doing the very work it is here to do.

We know we are in a situation of closure and we are in this situation for unusual reasons. For one thing, there are very deep divisions among supporters of the Liberal party with regard to this measure.

[*Translation*]

There is a good deal of disagreement, probably more than on any other issue now before this House.

[*English*]

That is the reason we are facing closure. Usually when closure is introduced, it is to prevent the opposition from talking. In this case closure has been introduced by this government to stop its own backbenchers.

• (1532)

Some hon. Members: Hear, hear!

Mr. Maine: How can you be so stupid? Hypocrite.

Mr. Clark: The proof of that came on Monday night when four Liberals took part in the debate. One was the minister, who was obliged to defend what he introduced, but the other three, the hon. member for Hochelaga (Mr. Lavoie), l'honorable député de Charlevoix (Mr. Lapointe) and the hon. member for South Western Nova (Miss Campbell), all Liberal members, got up one after another, criticized this bill and indicated—and we will be able to test their word later tonight or tomorrow—that they were not able to support the bill which was before the House in the form it was in. The minister knew that if he gave more latitude to more Liberal members so that they could get up and make more speeches, there would be more criticism of his own bill from his own party.

Mr. Maine: Untrue.

Mr. Clark: The reason we have closure is not to silence the opposition, which is usually the case. The reason we have closure is to silence the unquiet, divided and decaying Liberal party.

Some hon. Members: Hear, hear!

Mr. Clark: This bill comes to us at this late stage in what really has been a parade of incompetence by this government. First, the Prime Minister (Mr. Trudeau) announced last August that he had suddenly discovered restraint. A month after that this minister got up—

[*Translation*]

Someone asked why I was not here for the vote yesterday evening. I had a good reason. I was away in the interest of national unity, since I was taking part in a program recorded in French designed to inform Quebeckers of the policies of the Conservative party, as it is obvious that only our party is able to keep our country united. We need the support of French Canadians. This is what I was doing yesterday evening. That is why I was not here to vote, but I will be here often for votes and I doubt very much that the members opposite will often be in the House after the next election.

[*English*]

We have had a veritable parade of incompetence. First, the Prime Minister discovered restraint in August. Then the minister discovered the need for this bill in September, but he was not able to bring it before this House for two full months. What is clear about that delay is that although the government should have been preparing this legislation and putting it together carefully over the summer, it was not because members of the government did not know that they had discovered restraint until they heard the announcement on August 1. That came as a total surprise to them. Consequently, they did not undertake the preparation they should have if they were going to put last summer to good use. If they had put last summer to good use and if they had been serious about introducing amendments which would have saved money and reduced inequity, they would have brought in a very different bill from the bill with which we are dealing in the House now.

This bill is designed to pretend restraint. It is not at all designed to achieve restraint. The bill is badly drafted. The Economic Council of Canada warned against this approach to this problem before the bill was introduced.

The ten provinces of Canada, including the one Liberal province—by one seat—the province of Prince Edward Island, and all the other provinces unanimously warned against this approach. Even the one NDP province warned against this approach during committee stage.

Mr. La Salle: Quebec too.

Mr. Clark: And the province of Quebec—

[*Translation*]

—the province of Quebec where they have reservations with respect to this bill along with all other provinces because this is not an effective bill which can meet the objectives contemplated by the ministers, on the one part, or by other Liberal members, on the other part.

[*English*]

I must give particular credit to my colleagues the new member for York-Scarborough (Mr. McCrossan), the hon. member for Vancouver Quadra (Mr. Clarke), and others who have proposed very serious improvements and reforms with which unfortunately the House of Commons will not be able to deal because this government is so concerned about support among its own members that it has introduced closure to cut off debate and stop parliament from carrying out the work of reform which parliament is here to carry out.

What is worse than this parade of incompetence is that the minister refuses to accept improvements, and for one reason: He did not propose those improvements. He would rather take credit for a bad bill than share credit for a good bill.

Mr. Maine: Absolute nonsense.

Mr. Clark: That contempt for parliament which is evident in the minister's rejection of amendments which would improve this legislation was also made absolutely clear when he deliberately and knowingly went ahead with the publication in the *Canada Gazette* of provisions in this legislation before this parliament had an opportunity to pass upon those provisions.

Mr. McGrath: The minister will be hearing more about that.

Mr. Clark: As my colleague the hon. member for St. John's East (Mr. McGrath) says, the minister will be hearing more about that, as will his colleagues, particularly from Atlantic Canada and les régions de l'Est du Québec. They will also be hearing a great deal more about the minister's comment when he deliberately went out of his way to attack a generation of people in Canada, to attack a region of this country and to attack those who live in areas of high unemployment and who are not able to move. He attributed to them the basest of motives for being in a situation which is largely the creation of this government because of its failure in economic policy.

There is no question at all that the unemployment insurance program of this country very much needs reform. It costs much more that it should. It builds in a disincentive to work. It encourages too many Canadians in this land not to seek to develop their own potential. It includes serious invitations to abuse. The question I have to raise—and indeed the question will be raised across this country whenever an election comes—is why will the Government of Canada not take the time which parliament is here to give to improve this bill? Why does the government force this matter through, simply to save itself from embarrassment because its own members disagree? Why does the government force this bill through and not allow us an opportunity to consider and debate specific, positive reforms which would save more money and which would have other beneficial effects? Why does the government not want to consider the reforms proposed by the hon. member for Vancouver Quadra and others in this House.

We know that this is the sixth or seventh bill in eight years dealing with the unemployment insurance question. It will not be the last one because the bill will create new injustices and it will require further changes later on. What is absolutely unacceptable to us on this side of the House is that the Government of Canada is forcing a bad bill through parlia-

ment. The bill is not bad by accident or because the government does not know better. The government is proceeding deliberately, and it is refusing to consider reforms which, first, would save the people of Canada more money; second, would be much more just to Canadians across the country; third, would create much more incentive to work among Canadians; and finally, would be much less complicated than this bill.

There are two essential differences between the two serious parties in this House on questions relating to unemployment insurance legislation. The first is that the government pretends that every unemployed Canadian is the same. By contrast, we recognize that hardship is much greater for those unemployed Canadians who have dependants for whom they have to care, and we recognize also that abuse has been much greater among those Canadians who do not have dependants for whom they have to care. The other difference is that the government's proposal is very complicated. It establishes different standards based upon different regions of the country.

[*Translation*]

We heard the other night the hon. member for Charlevoix (Mr. Lapointe) who referred to the problems caused in his own riding by an artificial line drawn by this government. There are now in the riding of Charlevoix and many other ridings in the province of Quebec small villages on one side of the Saguenay river with a standard and other small villages on the other side of the river with a different standard. So this is a double-standard government.

● (1542)

[*English*]

It is absolutely unacceptable to us to have this kind of situation brought in by this government, creating confusion and complexity where none needs to be. We would base the distinction which must be brought into this bill on whether or not an unemployed Canadian has to support other persons. The government, in contrast, bases its distinction on whether the unemployed live in Canada, on what side of the Saguenay they are. If they are on one side of the Saguenay river, they are treated one way; if, by sheer chance, they happen to be on the other side, they are treated another way.

That is absolutely absurd. It is bureaucratic nonsense imposed in a way that is guaranteed to create injustice in this country, and yet that is precisely what this government is proposing. They are proposing it despite the fact there is a better way, because they know there is before the House of Commons right now amendment No. 14 proposed by my colleague, the hon. member for Vancouver Quadra, which is a much better approach which will not create the problems which are being created by the government's own proposal.

The government's stubbornness is costing hundreds and probably thousands of Canadians simple equality and justice of treatment. It does not care about the people who suffer from the double standard, the people who, because they happen to live on one side of the Saguenay and not on the other, will be treated differently from their cousins or neighbours. It prefers to persist in its stubbornness and push through a bad bill rather than accept amendments which would make it better.

Our proposal, which has been outlined effectively by other members of the House, establishes that persons with dependants would continue to be covered for two-thirds of earnings for which they are now insured. We do that for a reason—because these are the Canadians who most need help in our system. It stands to reason that they need help most because they have more other Canadians to care for. Also, they are the Canadians who are least mobile. If you have dependants, it is not as easy to move to other places where you might find work as it is if you do not have dependants. These are people who have special cause for the attention and concern of their government, but their special requirements are absolutely ignored by this government.

Instead of dealing with people who have particular problems, this government has set up a little artificial group of districts in the country. It imposes a geographical complexity which ensures vested injustice being dealt to a large number of Canadians. We are proposing in the amendment introduced by my colleague, the hon. member for Vancouver Quadra, a two-tier system. It would introduce a second category of benefits based upon the principle that those Canadians who do not have dependants under the Income Tax Act will be covered for only 50 per cent of their earnings.

It has been made very clear by members on this side that we are also proposing, as part of the amendment put forward by the hon. member for Vancouver Quadra, that we will vest in a married couple the right to decide and establish themselves which one of the couple will be the one to whom dependants are attached. Because the law as it now stands involves a serious discrimination against women, and we propose a means by which that can be mitigated. That too this government have turned down. They would prefer to live with discrimination against women than to remove it as it exists in this bill.

The proposal for the two-tier system which we introduced would save, by the government's own reckoning, in the neighbourhood of $850 million. Their proposal, by their reckoning, would save in the neighbourhood of $935 million. But—and the buts are pretty important—it would add at least $43 million to the welfare costs of the provinces and Lord knows how much to the welfare costs of the municipalities across this country. It is unfortunately far too typical of the restraint that pretends to be practised by this government. They are not reducing over-all expenditure; they are simply making some paper cuts and passing the real burden on to other levels of government which cannot afford to bear them as well as the Government of Canada can.

I see the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Maine), who represents an Ontario constituency, shaking his head negatively.

Mr. Maine: Your facts are all wrong.

Mr. Clark: Unfortunately, he reflects the same kind of attitude of indifference toward Atlantic Canada that was reflected by his colleague who is here in the House, the

Minister of Agriculture (Mr. Whelan), who, when he heard about the most recent election result in Nova Scotia, the collapse of the Liberal regime, said: "What does it matter; it is only another municipality down there".

[*Translation*]

And I must add that I am really surprised by what the Minister of Regional Economic Expansion (Mr. Lessard) had to say—

[*English*]

Mr. Whelan: Mr. Speaker, I rise on a point of order. I am sure the Leader of the Opposition (Mr. Clark) would not want to mislead the House. I said I considered it as another municipal election. He has in his caucus now the mayor of the city of Toronto. I am sure he would not want to downgrade him as just another municipal official. As one who has spent many years in municipal politics, I have the highest respect for municipal elections.

Some hon. Members: Oh, oh!

Mr. Clark: I am not only delighted to have the minister confirm what he said but also delighted to hear him draw attention to the fact that the former mayor of Toronto was one of the five new Conservative members of parliament who won seats from former colleagues of his in the Liberal cabinet.

Some hon. Members: Hear, hear!

Mr. Clark: I was also delighted to have heard the interjection from his colleague behind, the Minister of Employment and Immigration (Mr. Cullen), who referred to me as the temporary Leader of the Opposition. That is right, I am.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Clark: Mr. Speaker, this is a real surprise for me that we should have here the Minister of Regional Economic Expansion (Mr. Lessard), a minister coming from eastern Quebec, a minister coming from an area with a really excessive rate of unemployment, who is prepared because I believe he did not speak in this debate—his colleagues in the corner did; they spoke against the bill—but he might be prepared to accept the bill that might force on the unemployed in eastern Quebec and underprivileged areas a greater prejudice, another impediment that might cause them problems in their development as a people and as an area.

[*English*]

It is a real surprise to me that a minister responsible for economic expansion would allow this government to impose these kinds of obstacles upon the development of underdeveloped regions in this country, particularly when they have before them the opportunity to adopt an amendment which would do away with the kinds of problems they are imposing on Atlantic Canada, on the east of Quebec and on lower income Canadians right across the country.

[*Translation*]

Mr. Deputy Speaker: The hon. Minister of Regional Economic Expansion (Mr. Lessard) on a point of order.

Mr. Lessard: Mr. Speaker, I would like to answer the hon. Leader of the Opposition (Mr. Clark) that indeed I support this bill because I believe it is an excellent way of helping, by using those funds for other purposes, to create permanent jobs.

Mr. Deputy Speaker: Order. The hon. minister will be able to make his contribution later on if he wishes to but at this time the Leader of Opposition has the floor.

Mr. Clark: Mr. Speaker, the minister probably anticipated something I want to say later on about the yet unspecified costs to Canada of this bill introduced by the government.

[*English*]

Because I am sure that one of the uncalculated costs to the people of Canada is that there will be a need for this government to pour more money into regions which have been treated by this bill. When we look at the over-all cost of this bill, when we try to calculate the effective restraint in this legislation, it will be important for us to look at the new expenditures of departments other than that of the minister who is proposing this bill which will be necessary to deal with the problems that have been caused by this bill. I am pleased to see the Minister of Regional Economic Expansion (Mr. Lessard) nodding his head in agreement with my proposition that there will be extra new expenditure, expenditure not in the budget and not anticipated before the bill was brought in, to take account of the very serious problems of poverty which will be caused and aggravated by this piece of legislation.

• (1552)

Some hon. Members: Hear, hear!

Mr. Clark: The two-tier proposal we have put forward is a much better way of approaching the problem we face for a number of reasons. First, there will be a direct saving which is significantly more than the aggregate saving of the measures being forced down the throat of parliament by the government. Second, the proposal put forward by the hon. member for Vancouver Quadra will not create the number of problems which will have to be dealt with later, the problems that the government is ensuring will occur by the nature of its legislation. Those problems will turn out to be very expensive to the country, expensive not only in terms of the obstacles to hope and development which will be put in the path of individual Canadians, but also expensive in terms of new programs. Perhaps there will be additions to winter works, LIP and a number of programs which will come forward to deal with the problems the government is creating deliberately today in the House of Commons.

Our proposal has the advantage of being acceptable to all of the provinces and, I would judge, the municipalities of this country. The mere fact that a matter is acceptable to the provinces is cause enough for the government to oppose it.

That has been well established. That is why we have not achieved such a healthy state of unity during the ten years in which the government has been responsible for the direction of national affairs. The government goes out of its way to disagree with the provinces. The amendment we are putting forward is an amendment supported in its general thrust by the provinces, and would be far preferable to the provinces of Canada than the matter forced by closure down the throats of members of the House of Commons by the government today.

The proposal we are making would not create the bureaucratic nightmare which will be imposed upon the citizens of this country by the establishment of districts based upon geography where average levels of unemployment happen to be different. It would not create this nonsense where citizens, as a Liberal member said the other night, on one side of the Saguenay have a different set of standards from citizens on the other side of the Saguenay. It would not write in the law the kind of absurdity which is central to the bill before us now.

One of the very, very important reasons the proposal put forward by the hon. member for Vancouver Quadra is superior to the bill before the House is that it builds in a clear incentive for Canadians to go to work. It would reduce the percentage of benefits available to people in the second tier, people without dependants under the Income Tax Act. As I have indicated, these are the people who are more mobile. Perhaps the minister is disagreeing with his own statistics, but before doing so he had better see if he has published them in the *Canada Gazette*. Statistically these people have been indicated as being more likely to abuse the system.

Mr. Muir: The minister is sucking his finger.

Mr. Clark: Yes, I notice the minister is sucking his finger. That fact is pointed out by the hon. member for Cape Breton-The Sydneys (Mr. Muir) who has suffered a double insult from the government. First of all, the Minister of Industry, Trade and Commerce (Mr. Horner) went to Cape Breton with his rather eccentric views on unemployment and the attitudes toward work of the citizens of Cape Breton. Now those people are maligned as simple thumbsuckers instead of working Canadians by the Minister of Employment and Immigration.

In the proposal we are putting forward there is a very real incentive to Canadians who do not have dependants to go out and work, those people who make up the mobile part of the Canadian work force.

Mr. Cullen: What about married women?

Mr. Clark: The minister is talking about married women. Will the minister go so far, in his rush to closure and his rush to silence his own members, as to accept even that portion of our amendment that allows a family unit to determine which of their number will be categorized as the one to whom dependants attach? Or will he persist in the bill he introduced which continues discrimination against women?

The proposal of the hon. member for Vancouver Quadra is a much better manner in which to deal with the problems posed for Canada by the present unemployment insurance scheme. The government refuses to let parliament consider that better way. It wants to force through the House of Commons a bad, bad bill. It is a terrible abuse of parliament. We are here not just to talk; we are here to improve pieces of legislation. I admit that there have been occasions in the House when opposition has been sometimes negative and there have not been things to propose. This is not one of those times. This is a time when party has come forward with a very acceptable, clearly preferable means of solving this problem.

I cannot speak for members of the New Democratic Party. They speak often for themselves. They have not been proposing anything positive. Their amendments are consistently destructive ones.

Some hon. Members: Oh, oh!

Mr. Clark: Our amendments point out a much better way in which Canada can deal with the problems posed by the unemployment insurance system. It is a much better way, but the government refuses to allow the Parliament of Canada to consider amendments which would improve the bill. The government refuses to allow the Parliament of Canada to consider amendments which would save Canadians more money, which would build in more incentive to work, and which would have a number of other advantages to the people of the country.

The legislation before us is a terrible abuse of the unemployed, a terrible disservice to Canadians out of work. The particular bitterness of that is so many Canadians who are out of work are out of work because we have had a government which for a decade has failed to give priority to economic growth in the country. Consequently, we have a government that created the problem of unemployment, which is at the base of the costs of the unemployment insurance program.

This proposal which is being forced down the throat of parliament and the throats of Liberal backbenchers involves a terrible waste of taxpayers' money. The government is forgoing savings which would be available. Our proposals would save more money than the proposals the Government of Canada is putting forward now.

Mr. Rodriguez: How many will go on welfare?

Mr. Clark: I hear the hon. member for Nickel Belt (Mr. Rodriguez). It is not a surprise in this House for us to hear from the hon. member for Nickel Belt. What he has just said confirms the suspicion many of us have had, that he talks so often and so loudly that he never listens to anyone else.

Frequently it has been made clear, and most recently by the hon. member for St. John's East, that my party intends to vote against the bill because we have a much better bill. In the national interest, we would like the government to accept—

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

Mr. Clark: Is there another point of order, Mr. Speaker? Surely not.

Mr. Rodriguez: I wonder if the hon. Leader of the Opposition (Mr. Clark) would entertain a question either now or at the end of his remarks?

Mr. Clark: If the hon. member for Nickel Belt thinks he can keep his question under ten minutes and allow me to finish my speech before my time has expired, I would be interested in entertaining it.

Mr. Rodriguez: The hon. Leader of the Opposition said that the proposals of his party would save more money than the proposals of the government. Should they lose their amendments, are they prepared to vote against a bill which will save, as the hon. leader said, the government some money but not as much as their amendments would save?

Some hon. Members: Listen, listen!

An hon. Member: Obviously the hon. member has been asleep.

Mr. Clark: The mere fact the hon. member for Nickel Belt has made a career of repeating himself in the House does not mean I have to.

Some hon. Members: Hear, hear!

● (1602)

Mr. Clark: This proposal wastes money for the Canadian taxpayers, not simply because it forgoes the savings, but because, as I mentioned earlier, it creates significant new likelihoods of spending by this government. We know the government has problems with the hon. member for Charlevoix; and we have heard hon. members over there talk about this. We know the government has problems with the hon. member for South Western Nova, and we have heard members speak about that. We know that the government is having problems with the hon. member for Hochelaga, and we can sympathize in that regard.

The fact is that even if members over there are able to cause those people to be absent from the votes, or even if they are able to cause them to put party before principle, which, of course, is part of the reason that presumably they joined that party, they are still going to have to face the demands of those members and of countless other members whose interests in their constituents and in their provinces are being very seriously damaged by this bill.

What we are going to see—and no doubt this will be smuggled through in the estimates—are millions of dollars pumped into those areas where problems are being caused by this government with this bill. That money will be pumped in in an attempt to rescue the Liberal party, and pumped in perhaps ultimately to deal with new real problems that are being created by this bill; but which should have been dealt with in anticipation, and never have been caused by this government. No doubt we will see this government try to smuggle through this House in a new session millions of dollars—I cannot say hundreds of millions as I do not know how much, but certainly it will be millions of dollars—in new expenditures to deal with the new problems that are being created. These are problems that do not now exist but which will come into being when this bill comes into law. That is the other way in which this bill is a terrible waste of the taxpayers' money in this country.

What we are seeing here today in this closure and in the reason for its introduction amounts to terrible treatment of the government's own principle. Because it is part of the tradition of this place, part of the history of parliament and part of what makes it work, that members of parliament, at least within their own parties, and preferably within this House of Commons, have the right to defend the interest of their constituents and their regions against legislation that is going to be harmful to those constituents and regions. They should at least have the right to put on record their defence. They should at least be given the right to get up and speak and to say: "Look what you are doing to the people of northern New Brunswick; look what you are doing to the people of Newfoundland; look what you are doing to the people of Prince Edward Island; look what you are doing to the people of Nova Scotia; look what you are doing to the people of eastern Quebec".

They should at least be given that right, but they are not being given that right. This government is denying the right of dozens of members to represent the interests of those who in their constituencies will be damaged by the imposition of closure. This imposition of closure is not to stop the opposition from speaking, but to stop the government's own members from talking.

Some hon. Members: Shame, shame!

Mr. Clark: The government can stop them from talking, but presumably some of them will want to vote. Let me give them a warning now. If by some accident they do not happen to be here, we will make it a point on the hustings to go into their constituencies and make clear that they were absent and did not stand up and be counted in the interests of their constituents when this government forced through a bad bill. We will be very interested in seeing how the hon. member for Charlevoix votes, how the hon. member for South Western Nova votes, how the hon. member for Hochelaga votes, how members from the north shore of New Brunswick vote, and how members from Newfoundland vote. We will be very interested in seeing whether they are going to put their party ahead of the interests of their regions, whether they are going to support this attempt to ram a bill down the throat of parliament when a better bill exists and when acceptable proposals for reform have been put forward by members on this side of the House. We will be interested to see how they vote, sir.

There is no question as to how we will vote. We will vote against this bill, and we will look forward to the earliest possible opportunity as a new government to bring in a better bill.

Some hon. Members: Hear, hear!

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, it is very hard to take the Leader of the Opposition (Mr. Clark) serious-

ly after the speech the hon. member has just made, and let me explain why I say that. I say that on the basis of the record of *Hansard* itself, which evidently he failed to read when he prepared his speech.

The Leader of the Opposition opened his speech this afternoon, and I made notes just for the fun of it—for the very fun of it, yes, indeed. He said that the bill had very serious faults and that the reason for introducing closure is deep division on this side of the House. Let me remind the Leader of the Opposition of what he can find for himself on page 2222 of *Hansard* for December 18, just Monday of this week. The official critic for the Tory party, the hon. member for Vancouver Quadra (Mr. Clarke), quotes himself from second reading and again at the report stage. He stated:

—I said that this bill was a step in the right direction—

Having said that he goes on to say—

An hon. Member: Which Clarke is that?

Mr. Caccia: This is the Vancouver Quadra Clarke, the official critic of the Tory party. That member only three days ago went on to say:

Restraint and reform are sorely needed. We will see what happens to the amendments we put forth.

Then he concluded with this great statement of Tory policy:

We will see what happens to the amendments we put forth. Then we will make up our minds on the bill itself.

After 34 meetings of the committee, having heard all the witnesses and the amendments they have put forward, and there being, contrary to what the Leader of the Opposition said, ample opportunity in committee for this bill to be discussed, that hon. member on Monday in this House said:

Then we will make up our minds on the bill itself.

How can we take them seriously? At least there is one honest member in the Conservative benches who was straightforward when speaking after the hon. member for Vancouver Quadra, that hon. member who said they will make up their minds on the bill itself.

On Tuesday the hon. member for St. John's East (Mr. McGrath) was straightforward and explicit when he said:

This bill is iniquitous. It is a bad bill, an unjust bill and an unfair bill. It is a bad bill, Mr. Speaker, and it is bad legislation.

This conclusion he arrived at after having urged the government to amend the bill. I have certainly never heard of people wanting to amend a bill that was so bad and iniquitous.

An hon. Member: To make it a better bill.

Mr. Caccia: To make it a better bill, exactly. Let us see some cohesion and consistency over there. Until the hon. member for Vancouver Quadra changes his job he is the official spokesman for the official opposition on unemployment insurance, and he is the one who said that the bill is a step in the right direction. That is what he said on Monday of this week.

Mr. Clarke: A small step, you fool.

An hon. Member: Capice?

Some hon. Members: Oh, oh!

Mr. Caccia: The Leader of the Opposition went on to ask why we are forcing this bill through, as if there had not been ample opportunity for discussion in the committee. We did have ample opportunity. Members of the official opposition had ample opportunity to express their views in committee. Some, such as the hon. member for York-Scarborough (Mr. McCrossan) and the hon. member for St. John's East (Mr. McGrath), made a distinct effort to put forward an alternative view. We did not agree with it but we looked at it. To claim that the bill is being forced through after 34 committee meetings is stretching things too far. Perhaps the Leader of the Opposition would benefit from staying around here a little bit longer to find out what his colleagues are doing in committee. In making statements like that he is saying, in essence, that his colleagues have done nothing. That is not true. We have seen them work as hard as we did every day for five weeks.

● (1612)

The Leader of the Opposition also was very sarcastic about the geographic districts. Several times in his speech he made reference to one side of the Saguenay or the other side. I realize that he does not want to hear a critique of his speech because that is no fun and it is easier to criticize others. I do not blame him for engaging in conversations with another member at the present moment.

Let me remind the all-knowing Leader of the Opposition that it was the Tory party that introduced the idea of geographic districts in the discussion on Bill C-27. I believe the hon. member for Hamilton West (Mr. Alexander) proposed it, but apparently it is no longer convenient so it is being attacked.

The Leader of the Opposition also put forward the grand scheme of the Tory party for a two-tier system, namely, that the unemployment insurance payments should differentiate between the head of a family and the secondary wage earner. There were extensive debates on this proposal in committee which are reported in the proceedings. The Tory party seems to ignore a number of facts. One is that heads of families or people alone without dependants have certain basic costs such as rent and heat which are virtually the same in both cases. Further, differentiating between the two groups would adversely affect women and young people.

Extensive studies carried out by the Unemployment Insurance Commission explained to members of the opposition—perhaps this was not reported to the Leader of the Opposition—that women without dependants make up 95 per cent of all women claimants of UIC benefits. Not only does the Tory party seem to ignore that fact, but they have engaged in a rather unusual policy approach whereby in one committee room certain members of their party defend women's rights and oppose anything that seems to be discrimination, while in another room other members of their party propose a differential in the benefits which would affect the very same women.

Another weakness of the two-tier proposal and a strong reason why we rejected it is that it introduced the idea of welfare or income transfer payments—in effect, an assessment of need. That is a poor basis on which to assess need since it would not take family income into consideration.

Mr. McCrossan: A point of order, Mr. Speaker. I just want to point out to the hon. member that it was not this party that introduced the concept of differentiating benefits on the basis of need. The government introduced it in amendments to this bill with respect to the charge back to high income families.

Mr. Caccia: Mr. Speaker, we should not mix one with the other. The two-tier system proposed by the Conservative party has exactly this effect. Let us not mix this with the effect on high income groups because we are talking about what the net effect of the two-tier system would be.

The Leader of the Opposition refused to answer what I thought was a legitimate question by the hon. member for Nickel Belt (Mr. Rodriguez). He wanted to know if the Leader of the Opposition would support the government if his amendment were defeated, which would still mean at least supporting a measure which would cut costs considerably. Of course, it was beneath the dignity of the Leader of the Opposition to reply, yet it went to the very heart of this bill.

As to the final, grandiose, theatrical challenge by the Leader of the Opposition to members on our side regarding whether they will show up for the vote on this bill, I should remind him of the dismal record of his party regarding other bills in this parliament when some members of the Tory party did not show up for the vote.

Mr. Paproski: That is not true.

Mr. Caccia: I remember occasions very clearly when members of the Progressive Conservative party—who may no longer be members—did not show up to vote on a bill similar to this. Instead of sounding so pure and righteous the Leader of the Opposition should perhaps examine the record of his party.

In the debate on Bill C-14 it seems to me that something has to be said about its impact and what will be done in 1979 to offset the changes it will bring about. It is important to record that in 1979, $710 million will be invested in our economy in different ways in order to create jobs. Of this, a cash expenditure of $570 million will go to direct job creation. Forgone tax revenue will account for $100 million and $40 million in unemployment insurance funds will be used for job creation. This strategy is supposed to create some 113,000 jobs for one year which will mean, as I understand it, a 70 per cent increase in job-creation funds over the current year.

Some elements of this program that will be put in place are, first, the employment tax credit program to assist businessmen in expanding employment and job seekers in getting work which will be improved. There will be $70 million provided exclusively for skill training. Twenty million dollars will be used for the development of measures to help industry overcome critical shortages of skilled people. This will be done in conjunction with the provinces, industry and labour. Twenty million dollars will be added to skill training in and by industry. Thirty million dollars will be used to cover the institutional costs of increased skill training for industry.

• (1622)

A portable wage subsidy will be introduced to spur the re-employment of people laid off as a result of economic shifts and support. The youth employment program will be carried out at a cost of $225 million in the next year. Its major component is job experience training, commonly known as the JET program. This will provide employment and work experience for over 63,000 young Canadians. We will be utilizing unemployment insurance benefits, in the case of those who are eligible for them, to cover the $1.50 an hour wage subsidy involved in this program. In the case of those who are not eligible for unemployment insurance, the government will provide the subsidy in total.

The summer youth employment program funds and the year-round youth employment and the employability program funds will be increased from $14.5 million in fiscal 1978-79 to nearly $110 million in fiscal 1979-80.

It will also be desirable to have a look at what areas the government might wish to monitor as possible areas where amendments to this bill might be required to see that certain distortions might not take place in our general social and economic pattern. For instance, I would be interested in seeing the effect of the bill monitored and the effect it will have on entry and re-entry qualification for benefits. If this should cause a movement of people from rural to urban areas because people would be better able to re-enter the labour force when running out of benefits, then, of course, we would want to monitor this movement very closely. Trends of this kind which could lead to further centralization, urbanization or abandonment of rural areas are not desirable in any nation and we do not want to see that develop under any circumstance.

I would also be interested, as would many members of this House, in monitoring the effect of the reduction of the allowance for manpower training from the $45 which is being paid to the proposed $10 a week per person payable to the person who is not the primary wage earner. If it were to be established that this would have an adverse effect, then we should see to it that the allowance is brought back to the original level.

I would also like to say a few words about a widespread practice in urban Canada where more and more employers are requesting their employees to put in overtime. In the city where I come from we see this pattern, and I suspect this is not an isolated occurrence. The practice of demanding more and more time in my opinion is a bad one. It is a bad practice for health and safety reasons. This has been proven on a number of occasions by studies carried out by various jurisdictions. It is bad practice because it keeps unemployed people waiting for jobs for longer periods of time. It is a bad practice because it affects the job growth rate negatively. I would urge the

Unemployment Insurance Commission to do whatever it can to discourage this practice of overtime work and to exert every possible pressure on employers to see that it comes to an end. However, I realize that there are difficulties associated with that.

In his closing remarks the Leader of the Opposition made reference to the fact that the government has failed to give priority to economic growth in its policy. Let me remind the Leader of the Opposition that this government has been able to produce 250,000 to 380,000 jobs every year over the past seven or eight years because of its economic policies. This surely demonstrates that the government has done whatever it could to stimulate economic growth according to very sound principles.

With that, Mr. Speaker, I will leave the Leader of the Opposition to meditate on his own statements.

● (1632)

[*Translation*]

Mr. Yuri Shymko (Parkdale): Mr. Speaker, in my first speech in the House, I had referred to the political and economic crisis in our country, the solution of which will have a deep influence on the future of Canada. That is why the members of this House are dealing at this time in our history with a bill which will have a major impact for all Canadians.

For this reason, I am quite pleased, Mr. Speaker, to take part in this debate which the government has tried to restrict. A motion for closure was introduced in the House of Commons as well as in committee. The members of our committee, the representatives of the people, were not even allowed to take part in the debate on the bill in committee. There are very few instances, Mr. Speaker, of such tactics being used by a party whose leader has advocated the popular policy of participatory democracy. It is a real human comedy, a plot which is still better than those of Molière, a real masterpiece contrived by the Prime Minister (Mr. Trudeau).

Any bill, Mr. Speaker, and any amendment is designed for a political purpose, that is to win the support of the majority of Canadians. They are all designed to make a good impression on Canadians in all regions, people of all social or economic classes, no matter what arguments, for or against, are presented during the debate, and that is done more particularly because we are getting closer every day to a general election. Mr. Speaker, there is no question about the fact that it is a controversial bill, not only so because members on both sides of the House do not agree on it, but also because members of the Liberal party do not agree among themselves, even though this does not show that much has or has not been said officially in the speeches we have heard in the House. But we all know very well that even the party in power is divided. It is quite natural, Mr. Speaker, that the actions taken by the Liberal party in this bill are political in nature and come as a reaction to pressures from Canadians who ask for cuts in spending and that they are in the line of a philosophy of economic restrictions which prevails not only in Canada, but in the whole world.

But, Mr. Speaker, since the government is said to have the responsibility of answering the needs of the majority of the population, this bill should be devised in a humanitarian way and from the point of view of social morality and we do not see that in the bill. Yes, we are in favour of economic restrictions because of ten years of wastage under this government led by a "Trudeaucratic" party which is ill advised, as far as priorities are concerned, by an army of bureaucrats trying to overcome the economic crisis by increasing the army of unemployed and there was 1.308 billion unemployed, Mr. Speaker, according to the statistics for March of this year, including official and unofficial figures, thus a struggle which increases the army of people on welfare by adding 250 million unemployed deprived of benefits. That is a struggle of justice, a struggle called responsible in the restraint philosophy.

If you are looking for logic, Mr. Speaker, you will have much difficulty finding it. That is called a responsible restraint policy, as I indicated, which will reduce by 10 per cent the rate of benefits for all the unemployed who will remain qualified. That is called responsible measures. Their effect will be to make people tighten their belt, Mr. Speaker, those who are least able to compress their budget in times of inflation which will reach a level of 9 per cent, something which is admitted even by the right hon. Prime Minister.

The official opposition party, with the amendment put forward by my colleague from Vancouver Quadra (Mr. Clarke), is suggesting a responsible economic restraints policy. Whatever the views of the New Democratic Party, our proposal would mean a policy of responsible restrictions, more equitable and more efficient which would make it possible to save an additional $150 million with less suffering for those who are going to be hurt by that measure. Our proposal, which was described as a two-tier system, is supported by most provinces, and I want to emphasize for the benefit of members of the New Democratic Party that even the governments of Saskatchewan and British Columbia are supporting it. Mr. Speaker, it becomes obvious that there will be a judgment in a few months, a public judgment through general elections. That judgment will come, it is unavoidable. Next week and in the weeks and months to come, we will see the reactions to that legislation if it is passed as it is now.

And I would like all hon. members from the government side to listen to this carefully. I am going to quote the newspaper *Le Droit* of Ottawa, December 14, 1978, in order to show how that reaction has started already. Well, members from the other side are asked to explain their position by answering ten questions on that bill. I will only give an idea of the Ottawa area response by listing the protesting organizations. They are the following, and I quote:

The four urban CLSC of the region, le Bureau régional de l'aide sociale, la Ligue des droits et libertés, l'Association coopérative d'économie familiale, le Conseil diocésain de pastorale, CNTU, QFL, le Centre des services sociaux, le Centre de défense des consommateurs, la Clinique juridique populaire de Hull, le Mouvement des travailleurs chrétiens and Développement et paix.

And, Mr. Speaker, I could go on and on enumerating the agencies which have already made their views known, even before the adoption of the bill. Imagine what the reaction will be in a few weeks. I say it once again with all the sincere compassion that I feel for you. Hear! It is beginning, people are responding, their judgment is before you. I do not want to speak like a prophet, but the facts are there. And you will suffer the consequences, that is for sure. I sympathize with the Minister of Unemployment, sorry, I mean the Minister of Employment and Immigration (Mr. Cullen). That was a freudian slip. He is the first victim, the sacrificial lamb of Christmas, because I am sure he did all he could, but as you know, he did not have a choice, he was told he had to cut back $1.5 billion, he did all he could, but he was frustrated, and he reacted rather sensationally and his explanations were picked up by the media and caused quite a turmoil on this side of the House.

So I pity and sympathize with the minister, Mr. Speaker. This government is putting all the burden of change on the backs of working men and women. These problems are related to the economic crisis we are going through in Canada. First of all, we do not know what social and economic effects these measures will have, which are called the Cullen measures in Quebec, if we do not know, Mr. Speaker, how this money, taken and I would even say stolen from the unemployed, will be used for new job-creation programs.

We know nothing about that, Mr. Speaker. Here we are, being asked to pass a bill, without knowing in which industrial sectors the government intends to invest the $1.5 billion it will save. I say it again, this is being done on the backs of the workers, men and women, Mr. Speaker. A month ago, the minister indicated that he would meet his provincial counterparts to put proposals to them on 12 topics.

Mr. Speaker, may I continue my remarks. I am having problems even with the microphone. Do I have the permission of the hon. members opposite to continue?

Some hon. Members: You do not need it!

Mr. Shymko: Mr. Speaker, the minister indicated a month ago that he would present 12 questions on one—

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

The Acting Speaker (Mr. Ethier): The hon. member for Longueuil on a point of order.

Mr. Olivier: Mr. Speaker, I am sorry but, though I recognize the eloquence of the hon. member opposite, he might as well be quoting excerpts from Stendhal's "Le Rouge et le Noir," and though it is true he has just recently come to the House, I should like to remind him that he should always address the Chair and not an hon. member.

The Acting Speaker (Mr. Ethier): Order. The hon. member for Parkdale.

Mr. Shymko: Mr. Speaker, I thank the hon. member for his remarks, but I should like to know why there was no public statement. If indeed the minister spoke with the representatives of the provinces, if indeed he consulted the provinces before introducing Bill C-14—

[*English*]

Or is this just another promise which I would qualify as much ado about nothing? The irony is that this is a few days before Christmas when we hear the words of peace to all men re-echoed in a myriad of languages throughout the world. We understand peace as peace with justice, at a time when the family becomes the centre of that spirit of Christmas. At this very time, ironically, Mr. Speaker, the government is bearing its Christmas gift with this bill, paying for its own mismanagement since 1971 when it made the first change which eliminated the two-tier system, which the Liberals had themselves introduced, I believe, in the 1940s and eliminated in 1971.

● (1642)

The logic would be that it is now time to reintroduce a two-tier system which was more just, more egalitarian and more humane. I urge hon. members opposite to read the speeches in *Hansard* of that time when the two-tier system was introduced. I think they would be interested if they re-read those speeches. The minister is victimizing the disadvantaged. They are the sacrificial lambs on the altar of Liberal mismanagement. The bill before us is one which I would describe as the first existentialist bill in the history of this country.

An hon. Member: Oh, I like that.

Mr. Shymko: I say existentialist because the only sense it is making is its nonsense. That is the philosophy of absurdity in existentialism. The only "sense" we find in these changes is that they do not make any sense whatsoever. It is a bill of total absurdity. It is contrary to all the announcements, all the clichés about the just society, that the Prime Minister has talked about all these years. Let us repeat those clichés of a just society to the working mothers, to the youth of our country, to our seasonal workers, to the single parents.

I would like at this time to present a few figures, not in Ukrainian, not in French, but in one of the official languages. Perhaps I will restrain myself and use one of the unofficial languages to the minister responsible for multiculturalism, but at some other time. I would like the members of the NDP in particular to listen to this because the NDP members in committee supported many of our amendments—

Some hon. Members: Come on!

Mr. Shymko: —at least in spirit.

[*Translation*]

Mr. Béchard: Mr. Speaker, on a point of order—

The Acting Speaker (Mr. Ethier): Order, please. The hon. member, on a point of order.

Mr. Béchard: Mr. Speaker, I have just heard the hon. member say that he is not speaking either Ukrainian or French, but the English official language. Mr. Speaker, I should like to remind the hon. member that French is an official language too.

Mr. Shymko: Mr. Speaker, I always try to speak French and I made, let us say, a blunder in one of the official languages.

[*English*]

In 1976 there were 559,335 lone parents in Canada of which 94,990 were male and 464,340 were female. We are talking about working mothers, females with dependants. The statistics I quote were for the year 1976 and I am sure that in the two years since then, with the changes in the social fabric in Canada, that figure is now much higher.

In November, 1978, there were 230,000 unemployed married women in Canada. As we know, there have been great declarations in defence of women by the hon. member for New Westminster (Mr. Leggatt) and I would like that hon. member to pay attention to the figure I put forward. There are 230,000 unemployed married women in Canada representing 8.7 per cent of the married women in the work force. Also in November, 1978 there were 155,000 families with one or more children in which the head of the family was unemployed. In addition there were 360,000 families with one or more children in which one person other than the family head was unemployed. The source of my information is Statistics Canada—"The Labour Force, November, 1978". In other words there are today 515,000 families with one or more dependants where at least one person, including the head of the family, is unemployed.

This is why our amendment calling for a two-tier system makes sense. It is why a judgment will be passed in the spring of 1979 by those who are not—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

[*Translation*]

Mr. Raymond Savard (Verdun): Mr. Speaker, I hold the hon. member, Mr. Shymko, in high esteem, but when he tells some falsehood, I must set the record straight.

The Acting Speaker (M. Ethier): Order. A member must address another member by his riding rather than by his name.

Mr. Savard: I am sorry, Mr. Speaker. I must remind the hon. member for Parkdale (Mr. Shymko) that while he was at a committee meeting, we passed in his absence Standing Order 65(9) which reads as follows:

Any member of the House who is not a member of a standing or special committee, may, unless the House or the committee concerned otherwise orders, take part in the public proceedings of the committee, but he may not vote or move any motion, nor shall he be part of any quorum.

Furthermore, Mr. Speaker, I should like to say that the hon. member Leonard Jones, who was not a member of that committee, also had unanimous consent to speak. I do not know, Mr. Speaker, but there was also Arnold Peters, the member for—

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. The hon. member will please address members by their riding, not by their name.

• (1652)

[*Translation*]

Mr. Savard: He too had asked for unanimous consent in committee, Mr. Speaker, and unfortunately he did not obtain it. The same applies to my colleague the hon. member for Hochelaga (Mr. Lavoie) to whom the committee refused consent. I sincerely believe, Mr. Speaker, that as chairman of the committee I had to be neutral to maintain democracy in committee and that is what I did. And I think opposition members can vouch for that.

Mr. Speaker, during these meetings, the committee had the opportunity to hear several briefs presented by various corporations, associations and unions. After several debates, members of the committee agreed that the changes to the Unemployment Insurance Act contained in Bill C-14 were ready to be introduced in the House. After spending all this time studying, listening and discussing these amendments to this act, I have difficulty understanding why some hom. members are now challenging these changes.

Mr. Speaker, I was not here yesterday. I had to see my doctor because I was upset and the doctor told me after the examination that my problem was that I had listened to the hon. member for Nickel Belt (Mr. Rodriguez) in his flights of oratory and his fine words which did not propose anything positive. I chaired that committee for 55 hours, and we had 29 meetings where we heard a good number of witnesses. Almost all of them stated that Bill C-14 was a step towards progress. When the Auditor General of Canada tabled his annual report, we saw that it contained many remarks concerning the unemployment insurance system.

I read with interest the offensive remarks of the hon. member for Broadview (Mr. Rae) about my colleague the hon. member for LaSalle-Émard-Côte Saint-Paul (Mr. Campbell). He said the latter was not very bright because he ventured to say that those who receive benefits abused the unemployment insurance system. I would like to advise the same hon. member to inquire further because I represent the constituency next to his, and we see quite a lot of people and receive many complaints. I would like to advise the hon. member not to

consider simply what he wants to see and hear, but rather to explain to me why the auditor informs us that in 1977 the overpayments which were not noticed by the commission could total $142 million, to be added to the overpayments of $67 million which were found out by the commission during the same year.

Even if they say that one is proven and the other is a statistic, the fact still remains that the estimate of $142 million for 1977 is higher than the estimate of $96 million announced in 1976.

Mr. Speaker, I cannot understand those people who take pleasure in misleading the people of this country by always suggesting figures but who I think do not understand or do not want to understand—I think I should tell them the exact meaning of the French initials NPD which mean those 'defeated politicians'.

Mr. Speaker, we received several letters—I have one here from the Edmonton Chamber of Commerce, and I quote:

The Edmonton Chamber of Commerce read with interest the press release concerning the proposed amendments to the Unemployment Insurance Act.

We support them and note with interest the explanation and the reasons given in the background papers we received where it appears that those amendments

'would reduce the disincentives to work'

'are designed to reduce the effects—'

exclude 'people who return to the labour market for short periods only to be entitled to unemployment insurance'

An hon. Member: Does that come from the west?

Mr. Savard: Edmonton. The chamber of commerce. I will go further. That is why I quoted that because all those people raised those questions in committee.

Mr. Nystrom: You are a real Tory!

Mr. Savard: It goes on to say:

—some members of the labour force who "have to a certain extent taken the habit of depending on unemployment insurance benefits"—

I believe all hon. members in this House should join and congratulate the Minister of Employment and Immigration, the hon. Bud Cullen, for recognizing those problems. That is what I call a real minister who takes his responsibilities.

The Canadian Restaurant and Food Services Association also examined the amendments to the Unemployment Insurance Act contained in Bill C-14, and those people tell us: Go ahead, Mr. Minister, we of the association are happy to support the amendments contained in Bill C-14. Half a million Canadians are employed in this kind of industry. They are not all crazy and they are sure those amendments will give good results because they will allow to reduce employer and employee costs and the rate of unemployment. I sincerely believe that all should get together. Tonight we should vote and I hope all will vote in block—the Liberals, the Progressive Conservatives and the Social Crediters—they have a duty to do so because they will all have to account for it during the election.

Mr. Rae: Mr. Speaker, I would like to ask the hon. member who just resumed his seat if he would be kind enough to answer a question.

The Acting Speaker (Mr. Ethier): Order, please. If the hon. member for Broadview wants to be recognized he needs the unanimous consent of the House because he had the floor earlier. Is there unanimous consent?

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): As there is no unanimous consent, I recognize the hon. member for Villeneuve (Mr. Caouette).

Mr. Armand Caouette (Villeneuve): Mr. Speaker, this being private members' hour I would ask the Chair to call it five o'clock. I will begin my speech at eight o'clock.

The Acting Speaker (Mr. Ethier): Order, please. It being five o'clock the House will now proceed with private members' business in the following order according to today's order paper: private bills, notices of motions (papers) and public bills.

PRIVATE BILLS

[*Translation*]

J.H. POITRAS & SON LTD.

Mr. Jean-Robert Gauthier (Ottawa-Vanier) moved that Bill S-8, to revive J.H. Poitras & Son Ltd., as reported (without amendments) by the Standing Committee on Miscellaneous Private Bills and Standing Orders, be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Ethier): When shall this bill be read the third time?

Some hon. Members: Now!

Mr. Gauthier (Ottawa-Vanier) moved that Bill S-8, to revive J.H. Poitras & Son Ltd., be read the third time and do pass.

He said: Mr. Speaker, I will be very brief because the bill went through second reading, committee stage and is now back before us with the support of all parties.

Hon. members will recall the legislation aims at reviving a company which, due to an error for which they were not

responsible, lost their incorporation. This bill was put forward quite simply to revive J.H. Poitras & Son Ltd.

Mr. Speaker, I shall not take any more time except to thank my colleagues from the official opposition, the New Democratic Party and the Social Credit party for supporting so wholeheartedly in this pre-Christmas period a bill that will cause much pleasure to Mr. and Mrs. St. James, who by the way came from the eastern townships?

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

The Acting Speaker (Mr. Ethier): Notice of motion No. 10, standing in the name of the hon. member for Vaudreuil (Mr. Herbert).

[*English*]

Mr. Young: Mr. Speaker, I rise on a point of order. I wonder if it might be the unanimous disposition of the House to deal with Bill C-34, which is legislation to amend the Criminal Code with relation to gun control. I think we could deal with it very expeditiously. I wonder if the House would grant its unanimous consent. We might be able to deal with second reading and third reading of the bill very expeditiously at this time.

● (1702)

The Acting Speaker (Mr. Ethier): We are now in the private members' hour and we would need unanimous consent of the House to revert to government business. Is there unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Unanimous consent is given.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

AMENDMENT RESPECTING DELIVERY OF FIREARMS

On the Order: Government Orders.

December 19, 1978—Second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-34, an act to amend the Criminal Code—*The Solicitor General of Canada.*

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, I will be very brief. When parliament passed the Criminal Law Amendment Act in 1977 it intended that the acquisition of guns would be controlled by the firearms acquisition certificate system. Clearly parliament intended at that time that people should not need certificates in order to keep the guns they already own, but only when they undertake to acquire a gun. Indeed, paragraph 95(2)(b) of the Criminal Code exempts an individual from the requirement to

produce a certificate when his gun is being returned to him by an individual to whom it has been lent. Unfortunately, the law does not specifically exempt an individual from the requirement to produce a certificate—

[*Translation*]

The Acting Speaker (Mr. Ethier): I regret to interrupt the hon. member, but perhaps it would be more in order that he put his motion forward before we hear him.

[*English*]

Mr. Young: Mr. Speaker, I should like to make one point clear. I hope there is unanimous consent to dealing with all stages of this matter prior to six o'clock; that is, second reading, committee stage and third reading. Since we have had some prior discussions, I think that is agreeable to most hon. members here.

[*Translation*]

Mr. Pinard: Mr. Speaker, the consent asked by my colleague is given, of course, provided all stages of the bill concerned are disposed of before six o'clock this evening at the latest. If so, there is unanimous consent, needless to say, at least on this side of the House.

[*English*]

Mr. Paproski: Mr. Speaker, I rise on the same point of order. I should like to know what will happen to the private member's bill if we are going to revert to government orders. Will the member sponsoring the bill agree to having it stood?

Mr. Herbert: Mr. Speaker, my understanding is that we will proceed with motion No. 10 in whatever time is left.

Mr. Paproski: I do not agree to that, Mr. Speaker.

Mr. Pinard: Have you changed your mind?

Mr. Paproski: We should call it six o'clock after the government order has been dealt with.

Mr. Herbert: Mr. Speaker, on a point of order. If consent is required to stand motion No. 10 until another time, that is okay by me.

Mr. Paproski: Then I do agree, sir.

Mr. Nystrom: I just wanted to say, Mr. Speaker, that there have been proper consultations and there has been unanimous agreement.

Mr. Peters: Mr. Speaker, if that agreement is to be effective, we will have to include in the motion words to the effect that, instead of sending the bill to a standing committee, we will consider it in committee of the whole House. Otherwise we could not deal with the bill today.

The Acting Speaker (Mr. Ethier): That was the point the Chair was going to make. Is it agreed by unanimous consent?

Some hon. Members: Agreed.

Criminal Code

Hon. Bud Cullen (for the Solicitor General) moved that Bill C-34, to amend the Criminal Code, be read the second time and referred to Committee of the Whole.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Ethier in the chair.

Clause 1 agreed to.

On clause 2—

Mr. Peters: Mr. Chairman, I would like to say a few words on this clause. There were many of us on all sides of the House who supported the bill when it came in and who pointed out that there was a number of factors which were going to work a hardship on those who are interested in having gun collections, those who are bona fide hunters, sportsmen interested in target ranges, and so on. Two difficulties that have developed are of interest here. One involves the major change that has taken place through this amendment which will allow those who have something wrong with their gun to take it down to the gun shop to get it fixed. It is logical that if you do not need a licence to have the gun in the first place and you take it down to the gun shop to have it fixed, you should not need a licence to get it back again because nothing has changed except the fact that a bona fide gunsmith has repaired it.

I suppose that the mover of these amendments has taken into consideration the fact, and it is a fact, that most guns in this country which were used in the Vietnam war—I think they are M-1 rifles, or whatever they are—had in them a part which turned them into fully automatic weapons. They did not require an additional part or the modification of any part of the gun. It was a simple operation whereby one or two pieces were reversed, pieces which were already part of the gun, to make it into an automatic weapon. This means, of course, that we will have to pay attention to those whom we classify as bona fide gunsmiths.

We now have some difficulty in northern Ontario which has resulted from some hysteria in the department, and that department has a tendency to hysteria with regard to gun-running. To them all these guns can become dangerous weapons. As everyone knows, there are thousands of pseudo-machine guns around the country which were not considered to be fully automatic weapons because they were not used in that way, but some parts in most of them would allow them, with some modification, or in one case just the turning of one piece, to become fully automatic guns, and if you had a 30 to 60-shell clip, you had a viable machine gun.

Those guns were not necessarily imported for the purpose of creating the gun-running scandal about which we hear. Some of the people who were involved—and there are certainly lots of other people in the country who have other kinds of weapons and are collectors—who ran machine guns and the like were within the law, but since changes were made to the act, those weapons became prohibited. Now, with a simple modification, some of the weapons which were not considered to be prohibited are prohibited.

For that reason I wonder if we have given enough consideration to the definition of those whom we consider bona fide gunsmiths. Because we will have to depend more and more on them to enforce the law by not accepting unregistered handguns and other guns. That is where the difficulty may arise. It is similar to the difficulty which arises when the gunsmiths of one or two towns also are safesmiths. These people could open safes in banks if they put their minds to it. It was necessary to keep them bona fide citizens. When it was necesary to open a bank vault or safe, the officials required someone who was capable of doing so. If that person was not available, in some cases he was flown in, but in most areas someone was qualified to open them. Such people were required to learn the latest combinations, codes and methods of operating bank vaults. They had to be highly trained, skilled and updated on various methods. Also, they had to be people who were well respected in the community. The officials were required to give them some consideration and leeway because of the difference between opening bank vaults with the authority of the bank and doing it on Saturday night for themselves. There are gunsmiths who handle only illegal guns. Also there are the bona fide citizens in communities who are afforded some leeway and not harassed all the time.

● (1712)

I was surprised by the department providing an amnesty for only one month. The amnesty involved two matters. First, people were able to carry their guns to the police station, and second, the guns could be registered if there was no reason preventing it. Guns could be registered even if their sources were fairly dubious. It was a good idea, but the amnesty was not long enough.

My son informed me that at one time he went to the Royal Canadian Mounted Police in order to register a gun. They gave him a hard time. He said, "If you give me a hard time, keep the gun. I do not know where it came from. I do not know its history. I do not know much about it. I am a collector, I have it, and I am willing to register it. If you do not want it registered, then you keep it; but that is the last one you will ever see". Also he pointed out that the Saturday Night Special is worth $200 more if it is unregistered than if it is registered. Thus, it is to the advantage of the police and law enforcement agencies to have as many guns registered as possible. The amnesty and the permit should be stretched in order to achieve the maximum possible registration of guns.

The officials concerned with this piece of legislation were surprised by the number of guns which turned up in various communities. They did not realize the guns existed because they were unregistered. If they were surprised about the number of guns turned in, one can imagine their surprise if they were able to find out the number of guns not turned in. The amnesty should be continued in order to provide more people with opportunities to register their guns at various

police stations. Any restrictions hindering that process are somewhat silly.

There is a necessity to carry on investigations, but sometimes the police become carried away with their investigations. They will have a great time with the trials which are to take place in the town of Haileybury and Timiskaming. It will be difficult to prove that these people were running an international gun ring and that they were closely connected in subversive activities. Perhaps the officials will find out that the people involved were entrepreneurs who were out to make a few bucks, that they operated individually as pseudo-collectors in areas as distant as New Brunswick and northern Ontario. Whether some of those guns went out of the country or not, I do not know. If the officials are really concerned with that aspect, they would be wise to go to Bleury Street in order to check some companies such as International Firearms. I think they would find that boatloads of guns are traded: automatics, machine guns, bazookas, the whole works. Boatloads of guns which do not even land in the country are traded.

We must not overdo it. The change being recommended is an excellent one. The department should give consideration to supervising and establishing bona fide repair gunshops throughout the country to which people may take their guns for repair, and gunshops should be allowed some leeway in collecting and assisting in the registration of guns.

The gun legislation has not imposed a great hardship on the average gun collector or on the bona fide hunter. For this reason, I believe the legislation has been reasonable. The proposed amendment is a sensible one. If a collector with a broken gun requires repair, he should be able to obtain repairs whether the gun is registered or not. He should not be placed in a different position than he was before seeking the repair. I agree with the minister. This is a sensible amendment.

Mr. Young: Mr. Chairman, perhaps I will make the remarks now which I attempted to make at second reading stage. The explanatory note states the following:

> These amendments would ensure that the delivery of a firearm by the operator of a business that includes the manufacturing, buying or selling at wholesale or retail, importing, repairing, altering or modifying or taking in pawn of firearms to a person from whom he received it in the course of such business, and the receipt of the firearm by that person from the operator of the business, does not constitute an offence.

To summarize very briefly, when parliament passed the Criminal Law Amendment Act, 1977, it intended that the acquisition of guns would be controled by the firearms acquisition certificate system. Parliament clearly intended that people do not need certificates in order to keep the guns they already own, but only when they undertake to acquire a gun. Indeed, paragraph 95(2)(b) of the Criminal Code exempts an individual from the requirement to produdce a certificate when his gun is being returned to him by an individual to whom it has been lent. Unfortunately, the law does not specifically exempt an individual from the requirement to produce a certificate when his gun is being returned to him by a licensed business dealer who has taken the gun into his possession for the purpose of repairing or storing it. An amendment to the legislation is urgently required before January 1, 1979, to provide such an exemption for several reasons.

Those reasons are brief, and they are three in number. Provinces have adopted different interpretations of the present law with the result that some jurisdictions will enforce the law and others will not. That is to say, at the present time I understand that some provinces under the present legislation will require the owner of a gun to have a firearms acquisition certificate before his gun can be returned to him, while other provinces will not enforce it.

There is a certain degree of business anxiety because even in jurisdictions where the law may not be enforced, businesses are concerned either that they may be prosecuted or that they will lose their business permits. Remington Ltd. is currently recalling more than 2,000 guns across the country for repair. In view of the inconsistent application of the law which might occur, Remington very probably will insist that individuals produce a certificate before the guns are returned to them.

● (1722)

Thirdly, having to do with safety considerations, some individuals, particularly in the case of the Remington recall, may not bother to have their guns repaired if they must produce a certificate in order to have them back. This could undermine their own or others safety, which is entirely in conflict with the intent of gun control.

In short, what I am saying is that there is a possibility of having different interpretations of the present law in different areas of the country, something we do not want to see occur. There is a certain amount of anxiety on the part of present owners of guns, including businessmen who may be in the business of repairing those guns, not knowing whether to request a firearms acquisition certificate for the return of a gun. As I say, for simple safety considerations we would not want to have any inconsistency or any doubt in anyone's mind; it should be clear that they are able to turn guns over to a manufacturer for restoration or repair and have them returned. We would not want them to feel that they should not put guns in for repair simply because they may be hassled, if you like, for a firearms acquisition certificate.

Mr. Baker (Grenville-Carleton): May I say at the outset, Mr. Chairman, that I have never heard an explanatory note for a bill presented with such eloquence as that just exhibited by the parliamentary secretary.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): If I may say so, I would like to indicate that we are grateful for the consultation we had with the parliamentary secretary and the Solicitor General, within whose jurisdiction this bill falls. It is an extremely sensitive and sensible amendment to the law which clears up an anomaly. We support it, and I want to say for our party that it is important to everyone in the House that we clear up these anomalies in the law. I thank the hon. member for

Vaudreuil for permitting this to happen during his period of time in the House.

Clause 2 agreed to.

Title agreed to.

Bill reported.

[*Translation*]

The Acting Speaker (Mr. Ethier): When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Cullen (for Mr. Blais) moved that the bill be read the third time and do pass.

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

The Acting Speaker (Mr. Ethier): As agreed earlier, is it the pleasure of the House to call it six o'clock?

Some hon. Members: Agreed.

At 5.33 p.m. the House took recess.

● (2002)

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: Before I recognize the hon. member for Villeneuve (Mr. Caouette) I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill S-9, an act respecting fugitive offenders in Canada to which the concurrence of this House is desired.

* * *

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-14, to amend the Unemployment Insurance Act, 1971, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration, and motion No. 1 (Mr. Leggatt).

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I have the pleasure at this stage of the debate to speak on Bill C-14 which for me and for the Canadian people in general is very important, first because it is a very good piece of legislation for some people and especially for the government, since they are trying to crack down on abusers. This bill will cause hardship to people who have the right to ensure temporarily their security, either because of the scarcity of jobs or for any other reason. It is a very important measure for this government and that is why I am saying that it is a very positive legislation. For years the Canadian people have decided to participate in this insurance scheme through a law that we have given to these people. We gave Canadians a guarantee they would be able to live decently if for some reason they had to leave their job or if they had been laid off by their employers.

● (2012)

Mr. Speaker, according to the speech made this afternoon by the hon. member for Verdun (Mr. Savard), by presenting this bill the government wanted to eliminate the cases of abuse by unemployment insurance recipients. Like the hon. member for Lotbinière (Mr. Janelle), I agree with the government that we should put a stop to these abuses, which are very few compared with the number of people who need these benefits to survive.

I also recall that a few days ago, more specifically last Tuesday, the government made a gift to someone by introducing Bill C-33, I believe, which we agreed to and which offered a salary ranging from $50,000 to $100,000 a year to a certain person. This person was given a Christmas gift because the government did not want him to be penalized by having to change his occupation. The House of Commons made this gift to Mr. Justice Morand so as not to penalize him by reducing his pension since he was accepting the position of ombudsman for the province of Ontario. Moreover, with its usual generosity, the government offered something very specific to the Canadian people who have been paying premiums for years so that they would be insured.

It will soon be Christmas. The unemployed also want to have a good Christmas and to make their family happy thanks to this insurance, thanks to the small amount that we provide them through unemployment insurance.

What is the Minister of Employment and Immigration (Mr. Cullen) now doing with Bill C-14? These people will have a happy Christmas because of the pressures made by members of this House, both on the government side and on the side of the opposition. But what will happen to them on January 2, 1979? They will find themselves, as the hon. member for Charlevoix (Mr. Lapointe) said so eloquently last Tuesday, in regions like mine or like his as well as in regions like those of the hon. member for Bellechasse (Mr. Lambert), the hon. member for Richmond (Mr. Beaudoin) and the hon. member for Lotbinière (Mr. Janelle), they will find themselves not penalized by the legislation we will have passed, but by the rules we will allow civil servants to apply.

Mr. Speaker, since I was first elected to the House of Commons I had a chance in my constituency to represent certain people who, with the laws we are passing here in this

House and given the privilege they have to come and see us, can tell us: Your laws disregard our rights.

Mr. Speaker, I can tell you that it is quite true. We have worked hard to try to solten up this act which is very restrictive toward those who for many years as I mentioned earlier have been entitled to unemployment insurance precisely because they contributed to it.

We are also giving to civil servants the power to do whatever they see fit, to look for all possible means to disqualify people who are still entitled to collect unemployment insurance benefits. Because of the laws enacted by this government, these very people are today coming to see us in our regional offices to seek explanations or obtain some assistance before the arbitration boards originally instituted a few years ago by the Department of Employment and Immigration to defend these same people. Today, because of an act which is unjust for these people, not only the members of the opposition but the members on the government side, now have to undertake to take up the cause of these same persons to make them eligible again precisely because of the difference which exists between each region, especially in regions such as ours and mine in particular. It is very difficult to tell these people that they have to go out and look for work.

Some years ago looking for a job was a fairly easy thing to do. There were great possibilities for persons collecting unemployment insurance to get themselves a job. However, today in 1978, these possibilities no longer exist. Why so? Precisely because of laws which are supposed to provide a certain degree of help to businesses so they will hire the unemployed. With the laws which we are now passing it is becoming a very difficult endeavour. Mr. Speaker, I could provide you with typical cases in my area of businesses or persons who want to help our people to make themselves available for work and sell the production of the companies to this very population which is simply asking to be given the means to buy the manufactured goods of these same companies.

Because the government with its legislation refuses to help those people, we now have close to one million unemployed in Canada; I shall not say like the New Democratic Party that there are more than one million unemployed. We deny to those same people the right to go into business or we refuse to try to make them work.

A few days ago I heard the Prime Minister (Mr. Trudeau) say that 341,000 jobs were created in the year 1978 or in the budget for 1977-1978. Congratulations! I lift my hat to the Prime Minister when he says that. But where I think the minister misleads the population is when he omits to say how many people or how many companies had to close down because of our policies.

Mr. Roy (Laval): Ask Mr. Lévesque!

Mr. Caouette (Villeneuve): The hon. member for Laval (Mr. Roy) says: Ask Mr. Lévesque. It is not true. He is like all the others, and I should go further, and say that he and the Prime Minister always make the premier of Quebec responsible for those numerous lay-offs.

● (2022)

My belief is we should give that premier an opportunity to prove himself, but right now let us ask this government why they are denying investments that are needed. If someone knows the reason, it is the Minister of Employment and Immigration. Right now civil servants pretending they know every area in the country but are based in Montreal, Quebec city or Ottawa suggest they know my area, northwest Quebec, while they refuse that those companies locate an industry that could create jobs.

This government however put forward a very important piece of legislation, expecting that we rush it through today. I would be most anxious to go home to my family rather than being here tonight, and I am certain other members also would be most happy to go home. The government, however, put forward a bill at the last moment in order, not that we give the present we gave Mr. Justice—

An hon. Member: Are we not comfortable here?

Mr. Caouette (Villeneuve): Of course we are comfortable, but we are comfortable because we have the courage to try and defend the people. And concerning the hon. member for Longueuil (Mr. Olivier) who feels so comfortable, I am sure he would be just as happy as we would if he could go home to his family and celebrate Christmas.

However, Mr. Speaker, we should not stop at that thought, and the proof is here tonight, on both sides of this House, we are responsible. We are here tonight to try and defend the people that need us to have the same opportunity to celebrate Christmas and New Year's. A few days ago we hurried to give Mr. Justice Morand an opportunity to celebrate Christmas without penalizing others. Unfortunately, I feel that with Bill C-14 the government does not extend the same opportunity to the unemployed.

Mr. Speaker, my contribution shall not be completely negative, because I want to make concrete proposals to the government, and take a positive stand as well. When introducing his bill the minister stated that he wanted to prevent abuse, as I said earlier, in connection with unemployment insurance benefits. Mr. Speaker, I would like to point out one thing to hon. members and particularly to government members about the problems we want to solve and which the minister would try to solve with his bill. Members of my party can say that this bill will never solve the problem we now have.

There are reasons which explain the present economic recession, and there are also reasons which explain the present unemployment rate. The government knows them, but it lacks

courage to attack them head on. This bill will do nothing but perpetuate the vicious circle of the economic crisis we see now. I understand the government would like to do away with all the unemployment insurance cheaters. The Minister of Employment and Immigration stated last November 9 that the costs for the program were more than $4 billion in the last financial year.

The minister says he wants to correct that trend. That is all very nice, Mr. Speaker, but on whose back? First by reducing the benefits by 6⅔ per cent. If you take into account the present rate of inflation those future claimants will have to look elsewhere, and if they do not find anything, it means they will have to go on social welfare. How sad it can be for those same people to kneel once again before Unemployment Insurance Commission officials who, as the hon. member for Lotbinière (Mr. Janelle) said this afternoon, get their pay cheques every week and say: Trust us, do what we ask and you will get your pay cheques every two weeks. In other words, Mr. Speaker, they will have to depend on social welfare with the new legislation introduced by the Minister of Employment and Immigration, considering the federal government pays 50 per cent of social welfare programs.

Mr. Speaker, I think we are justified in asking how the Canadian economy will definitively be cured with measures like those the Minister of Employment and Immigration introduced today. The minister talked about $4 billion for the unemployment insurance program. Of course, that is a substantial amount. And there were abuses by some individuals which cost society a lot of money.

In that respect, Mr. Speaker, Bill C-14 will correct certain injustices. The insurable remuneration will make the system fairer for workers with part-time jobs. As it stands now, the program introduced in 1971 excludes from insurable jobs any job of a duration of 20 hours or more a week for which the remuneration is less than the insurable minimum salary. In that respect, Mr. Speaker, the bill is fair and reasonable. We should not forget either that the essence of this bill is to make cuts. The minister talks about reallocating funds but, as I suggested recently, when John Q. Public sees his unemployment insurance benefits reduced by 6⅔ per cent there will be no reallocation for him.

The conditions set by the minister are not helping much our fellow Canadians who must, for whatever reason, apply for the unemployment insurance benefits for which they have been contributing for several months and sometimes years and collect what they are entitled to.

This is in line with the $2 billion cuts which the right hon. Prime Minister announced in August, and it is again the small earner who will lose. As members of the Social Credit Party of Canada, we want to bring about an economic and monetary reform, so that the small earners, the have-nots, may find their places in the sun. I say that the government is trying to demonstrate restraint on the backs of small earners, and the cuts in the unemployment insurance program are evidence of this. The government wants to save $2.5 billion within the next two years. Over this same period, the government intends to cut its unemployment insurance program by $1.5 billion. These cuts will therefore account for 60 per cent of all the cuts the government intends to make. I suggest therefore, Mr. Speaker, that the poor will foot the bill for this restraint program.

Mr. Deputy Speaker: Order, please. I must regretfully advise the hon. member that the time allotted to him has now expired.

[*English*]

Mr. David Crombie (Rosedale): Mr. Speaker, I welcome the opportunity to make some remarks with regard to the bill before the House. This is one bill I have had the opportunity to follow through in my brief time here. I have been able to observe the procedures in the House and in committee, and indeed how parliament functions in relation to the presentation by the government of a bill it chooses to call its own.

This is a very significant bill. It is possible it will have an impact on some 2.5 million people in this country. The essence of the bill is to cut $580 million from the unemployment insurance allocation. If the bill passes in its present form, it will chop away the opportunities for unemployment insurance for 264,000 Canadians. Whether you say it fast or slow, it is still 264,000, a lot of people.

For those who remain on the rolls, if you take inflation into account, over the next three years they will have 17 per cent to 18 per cent less money to spend than they had this year. Therefore this is an important bill. This bill had the opportunity to engage the interests of this House and perhaps to engage some teaching and learning, not only for those in this House but for those in the country who will be affected.

It is fair to say that in the last four or five years, certainly the last three or four, public confidence in the operation and administration of the unemployment insurance program has suffered badly, for a variety of reasons. People have been upset by those who abuse the program. There are some who feel that no one is abusing the program. If that is what they think, I welcome them to come and ride with me on a Queen Street car in Toronto. We will go from one end to the other. Just about everyone you see will know a cousin, uncle, neighbour or somebody who is beating the system. People by and large have been hurt by the proposition that there are abusers and slackers who are ripping off the unemployment insurance scheme. As well, public confidence has been offended by the maladministration of the program by those who are responsible for its administration, whether it comes from computer programming mistakes or millions of dollars in overpayments. By and large there is a perception in the public mind that it is not well administered.

● (2032)

Third, since 1971 it has been very difficult for people to understand the fundamental philosophy behind the program,

what it is supposed to do and whether it should, in fact, be insurance or whether it should be social assistance. If it is one, it has a certain path to tread and, if it is the other, then perhaps it should be travelling a different path. It is in this context, I think, that a number of people in this House, and others who are affected, were looking forward to a process in committee and in the House to see what could be done with the bill which was presented.

It was an interesting process in committee—one which I might say I was not used to—and one which clearly showed that the longer it went on the worse it got. I believe I am being fair in saying that. It began with an understanding that clause 2 of the bill would not affect a great number of people. But it really did not matter whether we agreed to it or not. It had already been passed by regulation and published in the *Canada Gazette*. This meant to the people I know and whom I represent that this was the way their life would be dealt with. To these people it meant that whatever the House decided did not matter, that whatever the people who administer the fund decided, that was the way it would be. It was, in my opinion, one of the most interesting comments on the responsibility and power of the people who are elected to government as opposed to those who serve in opposition.

Parenthetically I would say, of course, that the minister was personally embarrassed about the matter and did apologize. I might add also, in particular relationship to the longshoremen in Toronto, that he saw fit gracefully to allow his staff to assist in that regard when I raised the matter in the House.

During the committee hearings one thing became clear, especially to those who wished to observe it, that is, that the bill as presented is a bad bill because it has three specific effects which should not be countenanced either by the government or by any member of this House. First, the effect of the bill is to hurt those people who can least afford to be hurt. That is not a very good principle for a government to follow. It hurts, first of all, those who are most likely to be jobless. They are caught in a Catch 22 situation and have no choice. Second, it hurts those who have dependants—that's another word for children; they get less and their responsibility is greater. That, too, is also a bad principle for a government to defend. Third, it affects women, particularly working women with dependants.

Fourth, it affects seasonal workers. Fifth, it affects young people.

To do all these things in one bill might be considered quite an accomplishment, and one might ask how it can be done. Well, the way you do it, the way you chop 10 per cent out of benefits that may have been depended upon, the way in which you hurt 264,000 people is not by saying, "You are not going to get it because you abused the system;" it is by saying, "Here is 10 per cent by categories."

For us to accept that—because most of us are sensitive human beings—you would have to relate it to perhaps the oldest political move in the world. You would have to set up a scapegoat. You would need to paint people with a label in order that you can do things to them you would not otherwise do. That is called "scapegoating". So, you have to say that those people are going to get hurt because they are abusers and slackers. There is no other justification. After all, there is no one in this country who wishes to hurt those who are not abusers or those who are not slackers. Nobody would want to do that. So you would have to adopt the assumption that all of those people who will be hurt are abusers and slackers. Of course that is not true. In short, to justify hurting 264,000 Canadians the government had to combine an affliction on the guilty and on the innocent. They had, to borrow a word used by the hon. member for Broadview (Mr. Rae), to be indiscriminate. Not to lose because you have abused—that is fair—but, rather, to lose because you fit into a statistical category. And that is not fair. That is the first reason why the bill ought not to be supported. It hurts all those categories of people who can least afford it and, more important, it does so by fixing a statistical category and determining that they ought not to receive the benefits they have so far enjoyed.

The second reason why the bill ought not to be supported is that it affects those regions of Canada which are already suffering. I need not remind the government or other hon. members of that because we have already heard very good speeches from the member for St. John's East (Mr. McGrath), the hon. member for St. John's West (Mr. Crosbie) and, of course, we heard the most excellent speech of the Leader of the Opposition (Mr. Clark) today. What is interesting about this is that one has the feeling that six or eight months from now, or two years down the road if they were still the government, as they are sucking money out of the Atlantic provinces and Quebec now, what ministers over there will be doing is putting the money back and claiming to be helping out. It is not only hurting those regions which are already suffering, but, indeed, it is cynical—

An hon. Member: What about the two-tier system?

Mr. Crombie: The hon. member asks me about the two-tier system. Don't worry, I will get to that.

Mr. Speaker, the third reason, and one which I find to be closest to my heart since I know well the effect it will have, is that not only will it hurt people who can least afford it, not only will it hurt those regions and bear most heavily on those regions which are already hurting in this country, but that it will hurt provincial and municipal governments. With respect to this aspect I would like to make a couple of points.

Much has been said in respect of many bills about the importance of consultation between the central federal government and the provincial and hence the municipal governments. We often excoriate one another because we do not do it well enough. But usually such proposals are those which will be coming forward some time in the future. The effect of the bill before us will hurt them the day it goes into force in terms of money which has not been budgeted for, and I think we have to bear in mind what that means.

If you consider the statistics in terms of three categories—welfare, social services, and loss of revenue—you will find that British Columbia sees the impact of the measure as likely to

cost $35 million. Ontario sees the impact in welfare costs alone, not social services and loss of revenue, as $15 million. New Brunswick sees it in terms of $27 million. Amounts borne by municipalities—and these account for 20 per cent of the bill—go on property taxes, the already burdened property tax. The people you think you may be pleasing are going to find out that at the end of the line there is another cash register you didn't tell them about. They will have to pay it with their property tax.

Let me deal with Toronto since this is the place on which I have the statistics. In that city it will mean 2,500 more per month—hon. members may laugh about it but I am going to tell them what it means. In Toronto 2,500 more people per month will be on welfare rolls. That will cost $6.6 million plus $900,000 for two new offices and re-administration. I did not think those figures up. They are from the report to the commissioner of social services of metro Toronto. That report was also dealt with by the minister of social services of the province of Ontario. Throughout any recitation of these kinds of statistics the government simply says, "Not true, not true, not true." Well, the fact is that every province is saying the same thing. Every municipality is saying the same thing. They cannot all be wrong and only the federal government right.

● (2042)

The government cannot deny—and this bill shows it—that it is placing a burden in terms of welfare costs, social services and loss of income on every region, province, city and municipality in this country. The government might look good when its ministers talk about cost savings, but people are not that stupid, and the people will find the government out very shortly.

Behind much of this is the sense that there is no direction. What is the philosophy of the government with respect to unemployment insurance? Is it insurance? Is it social assistance? The government says it is both. Should there be a two-tier system which would allow people in the greatest need to get what they require in terms of the fund as it was, which is the essence of a two-tier system? People who have dependants will be asking Liberal candidates in the next election campaign why they did not adopt a two-tier system.

Mr. Anderson: Do you agree with it?

Mr. Crombie: People will be asking why people with dependants must get less. They will not understand. When it comes to a two-tier system the government says it cannot go along with that because it is a needs based program. It is a program which is related to need, and therefore the government cannot go along because it is an insurance program. The government will say it would love to go along but that it cannot because unemployment insurance is insurance and cannot be related to need. But then we look at clause 14, and in clause 14 it says "tax back". Son of a gun!

Why is the government doing that? People do not need that. Talk about working both sides of the street; this is unbelievable! However, it is not just sleight of hand. This reflects something which goes far deeper and is far more worrisome. This continues to contribute to the cynicism of people who will be affected by this bill because if you are one of the 264,000, or someone who does not have a job and is looking for one, what happens is that after a while you do not care what line-up you get into. You just want to know which is the insurance line-up or which is the welfare line-up. You want to know where to go. Hon. members can ask anyone who has been in municipal government—and I know some hon. members opposite have been—and anyone who has will say that that is the truth. After a while people simply want to know how to maintain their incomes, particularly if they have dependants.

The government had a real opportunity to do a really good job. Public confidence in this program has been waning for four years. The governement had an opportunity to come forward and engage in public discussion. The consequence would have been public education about such things as whether and to what extent there is induced unemployment as a consequence of the unemployment insurance program itself.

The Fraser Institute produced a very good study about which some hon. members know and which some have read. That study would have been useful because there may be induced unemployment, and if there is, we ought to know. There was a terrific opportunity to look at what happens in other parts of the world. Sitting in the committee one might have got the feeling that the only way to go is the government's way, but we should look at what happens in other countries.

I would not advocate the system of any one country, but it is worth looking at the variations which exist in the world. Let us consider, for example, benefits as a per centage of gross earnings. This bill would make them 60 per cent. In West Germany they are 60 per cent. In Spain they are 75 per cent. In Japan they are 80 per cent. In Sweden they are 51 per cent.

The number of weeks' work required to get unemployment insurance in Canada is 40 out of 104. It is interesting that the number is 13 out of 52 in the United States. The number is 52 out of 104 in Italy. In West Germany the maximum number of weeks of benefit is 52. The number here will be 50. In Denmark it is two and a half years. The variation is immense.

I can assure hon. members that people in Toronto would have appreciated an understanding that there is to be a new direction. We have high unemployment, and as a consequence people need money. How can we relate the program to the various income maintenance programs which allow people to carry out their obligations as husbands, mothers, fathers, and so forth? We did not have that kind of discussion, and I wonder why not. I think it is because the government was blinded by a new word, "restraint". This government has not known this word for very long. It was discovered sometime in the late spring or early summer. It is a word which hon. members opposite do not understand as being the exercise of government. They understand it as being the exercise of politics, not government, and that is why they did not deal with unemployment insurance in relation to the needs of people in Canada and, indeed, in relation to the needs of the various regions, provinces and municipalities of Canada. They dealt with it in panic. They felt it was necessary to show that

they were responding to a new scapegoat and that that would somehow take the heat off. They were going to be a government of restraint. I do not think that will happen because this bill reflects the government, and what this bill will say to the people on the streets of this city—

Mr. Lamontagne: This city?

Mr. Crombie: I was thinking of Quebec city, actually. People will say that this bill and this government are unjust and unfair to people because they hit both the guilty and the innocent. This bill is unfair and unjust to the regions because it hurts those which are already hurting. It is unjust and unfair to two levels of government which will be overcome by millions of dollars of welfare costs, social service costs and lost income for which they could not and did not budget because there was no consultation. People will say that the government is confused and incompetent, and that it has kept them in the same muddle they were in before the government brought in this bill. Finally, they will say that this government has become so old in office that it has become cynical, even though it does not know it is cynical. That is why, Mr. Speaker—

Mr. Deputy Speaker: Order, please. I have to interrupt the hon. member because his time has expired.

Some hon. Members: Let him continue.

Mr. Deputy Speaker: He may continue with the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

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

Mr. Baker (Grenville-Carleton): He hurt you, did he?

Mr. Cullen: No. I was trying to be a gentleman here tonight. We have been dealing with motion No. 1, and many hon. members have spoken. There has been wide latitude allowed by the Chair. I appreciate that, and I think all members of the House do. However, the fact is that members on both sides have spoken once on this motion and, of course, do not have the opportunity to speak again. I wonder if we could move to the second motion and perhaps give other hon. members an opportunity to speak.

Mr. McGrath: You brought in closure, Bud, not us.

● (2052)

Mr. Cullen: From our standpoint, we have not heard anything new today except the con in Conservative has been proven once again. Members opposite have something to say about the two-tier system and voluntary quits, but the Conservative party does not seem to want to give them the opportunity.

Mr. Baker (Grenville-Carleton): Mr. Speaker, perhaps the Minister of Employment and Immigration (Mr. Cullen) will carry the message to the government House leader, so that he will not be so free with allocating time the next time around. I just want to say to my friend, if he cannot stand there and take the heat, he should not stand up and make excuses.

Mr. Rob Parker (Eglinton): Mr. Speaker, in rising to speak on clause 1 of this bill, once again we have before the House a band-aid bill, another set of amendments on amendments on amendments. Over the days the bill has been debated in the House there has been considerable discussions concerning the closure motion which the government brought in and passed. We have had some detailed discussions on some areas of the proposed amendments but not all. That will not be possible because of the short time.

It would be worth while to examine exactly what the government purports to do with the bill, exactly what our responsibilities are as legislators in reviewing it and voting on it. The first thing which seems irrefutably clear is that Canadians want reform in the area of unemployment insurance. That has been demonstrated by the government's opinion polls. The government has released papers on it, and has been taking polls for over a year. It has been demonstrated by polls published in the popular press, by media reports, and by the reaction which every member of the House receives from his constituents.

When Canadians say they want reform, I do not think they are necessarily saying that they want the House or the government to penalize the needy. They are not saying they want government to begin to be cruel or heartless. They are not saying that they want to put the wounded in the front lines. But, they want cutbacks in the outrageous costs of this program. The neediest people in Canada among working Canadians are those wage earners who have dependants. They may be single parent families or families where the wife does not work and is at home with the children. Those are the neediest families in terms of deserving protection. While Canadians want reform, there is no sign at all that they want the government to stop protecting people against misfortune.

Over the past few years there has been a clear pattern of encouragement to abuse within the rules and regulations of unemployment insurance. My colleague and seatmate, the hon. member for York-Scarborough (Mr. McCrossan), spoke about it. Other members have spoken on it. There has been a pattern of that kind of encouragement. That would be bad enough, but the encouragement has gone beyond that. The Prime Minister (Mr. Trudeau) of this country has gone on record on numerous occasions saying that he will not tell anyone they must work; if people want to collect unemployment insurance and not work, that is their perfect right. When the highest political officer in the land tells Canadians that, particularly young Canadians, surely they take him seriously. Surely they get the idea that it is all right to rip off the system.

We have not had government leaders, cabinet ministers and politicians on the government side talking about the value of

working for a living, about the virtue of hard work, and I doubt we will. They have made their record and they have made their bed on giveaways. Now they must lie on it.

We are a legislative body gathered together to consider the bill. In considering it, we should start with the needs of our constituents. Our constituents, as a house, as opposed to individuals, are clearly working Canadians, the working people of this country. They are the traditional office worker with one wife, two mortgages, and three children. They are farm labourers, oil field roughnecks, working mothers, single parents, newly graduated stenographers, bank clerks and laboratory technicians. The range in geography and profession is enormous. It stretches from high technology workers in the highrise towers of urban Canada to the fishermen of eastern Canada. To quote a former colleague of some members of the House in the legislature of Newfoundland, "from those high technology workers to the last forgotten fishermen in the rill of Cape St. George in Newfoundland."

Most of the people in the country are working Canadians who come under the provisions of the bill. The question is: what do they want from us when we consider this bill? I think they want four things. The first one is leadership. The second one is some clear thinking and common sense. The third one is that they want some economy measures. They want an end to the outrageous drunken sailor spending which has been ongoing in Canada for most of the last ten years. The fourth one is that they want the country put back to work. Of those four points, two are not appropriate to this debate.

Leadership, by definition, is a mandate of the government. It is not appropriate to a debate on this bill. Hopefully that is something which will be decided by the people of Canada in the spring of next year. The electorate will make its decision as to whether that mandate has been exercised responsibly. The fourth point concerning job creation has nothing to do with this bill. That is not appropriate to this debate. But the middle two points, clear thinking and common sense, as well as economy measures, are appropriate for debate at this time.

When Canadians talk about clear thinking they do not mean merely that the government will take one plus two and arrive at three. They do not mean merely that the government will protect everyone in need, and that it will say, "No one in Canada should ever lose their job for any circumstances, or ever lose any wages or salary because they lost their job." Neither do they mean that no one should ever be protected in any way. They mean that those who are in need should be protected. We should protect those whose needs are the greatest. We should not design disincentives to work, or incentives to cheat in the plan. In effect, they mean exactly what the Auditor General said in his report this year, that Canadians deserve and should receive value for their money. When Canadians demand economy measures, they mean we should cut back outrageous over-spending, and eliminate waste, but they do not mean we should stop spending money entirely.

Given those definitions, as we approach this bill, we should attempt to save as much as we humanely can, and protect working Canadians as much as we economically can. That brings me to the specific proposals in the bill before the House, because it does both poorly. It does not save as much as it should or could, and it does not protect as much as it should or could.

• (2102)

Our party has proposed a two-tier plan which would, on the one hand, protect those who need it most and, on the other hand, would economize most with those who can most easily bear the effects of those economies. All our amendments taken together would save more money than the government's proposals. They would have less adverse effects on the broad range of working Canadians, less adverse effects on the provinces, and less adverse effects on city governments.

The amendments that we have proposed have been supported most. They have been supported by the provinces, they have been supported by independent groups outside government in Canada, and they have been supported by the party sector. They are supported by actuarial studies, and they are supported by actuarial experience in other countries. Germany, to name only one country, has a two-tier system. Canada, in fact, had a two-tier system for some 30 years which, ironically, came to an end with the introduction in 1971 of precisely the amendments that marked the beginning of outrageous over-spending into which this measure has led the country since that time.

We are proposing a two-tier system. There is nothing unusual about that. We have suggested specific figures, but unlike the government we are not insisting that our proposals be accepted and that nothing else should be considered. We think it is important for this government to save money. We pointed it out long before they admitted the necessity of it. We think it is important at the same time to provide reasonable protection to Canadians who need it, and unemployment insurance is vitally important to Canadians, not only in the rich provinces like Ontario, not only in ridings like my own in urban Toronto, but in ridings in poor areas of eastern Canada or Quebec, in disadvantaged areas in the west, and the west is not entirely a fabric of wealth, swimming pools and cadillacs, there are poor areas there and the people who live there need protection.

We propose a two-tier plan. We proposed it in committee and we propose it here now. But the government consistently refuses to consider it. The only defence which they seem to be able to offer is that the minister would lose face. We know of amendments that had been suggested which do not seem to get acceptance at the cabinet level or within the Liberal party. My leader spoke today of the difficulties they are having in controlling their own members. I do not know whether the reason so few of them are speaking in the debate today indicates that they have to get their speeches cleared and that not many have managed it, but that is a likely supposition. Surely members on that side are interested in this bill, surely they are as interested as we are in protecting Canadians on the one hand and in saving money for the government on the other, but why are they not speaking?

Why do we have member after member on this side speaking, but no one on the other side? I can only assume that they have not managed to clear the hurdles and get their speeches approved. Yes, there were one or two over there who did manage to slip through, which only means that they have had their opinions vetted.

An hon. Member: That is only done on the Tory side.

Mr. Parker: No, it does not happen here—we have caucus meetings.

The amendments which our party has proposed—and I do not mean in detail but in broad outline—include the idea of extra penalties for those who bring their own misfortunes on themselves, those who quit. Surely there is something wrong with an insurance plan which pays someone to burn down his own house, and that is what we have with someone who quits his job and collects benefits on the same basis as someone who loses it for some other reason. Surely there is something wrong with a system which provides that kind of protection. Our proposal is to remove it.

There are other ways of penalizing those who quit, and we do not insist on our plan; we simply suggest that that idea should be included in the bill and that the idea of a two-tier system should be included. But the government consistently refuses to consider it. There is no logic to that. They do not want to be confused with the facts, they do not want to examine, not only what this party says, but what every province of Canada says, what the experience of the private sector says, what economic studies say, what the Economic Council of Canada has suggested, what, in private conversations, members in their own department will say. The weight of opinion is clearly against them. They are going madly into the sunset saying, "our way or no way at all."

If I were to take purely partisan advantage of that, I suppose I should stand here and be delighted because six months from now when we have an election campaign and we are on the hustings talking about what this government has done over the last session of parliament and we say that here was a chance not only to save more money than the government plan proposed but also to protect Canadians in a better and more effective way, and that we proposed that way, we would be elected on that basis. We are not insisting on the details and that it must be done in our way. If the government wishes to change the benefit periods or change the per centages in benefits, that is fine. We are merely saying to it that our amendments, taken as a whole, save more money and protect more humanely. Yet ministers refuse to consider them. On a purely partisan basis, I think that will be an advantage to members on this side six months from now because it shows this government to be pigheaded, obstinate, cruel, and incompetent in terms of management.

I can stand here tonight—and of course I am not a partisan man, Mr. Speaker—and suggest that I do not want them to give us that opportunity. I would like them to take this opportunity away from us and admit that they are not the only ones who have ideas, that there may be a better way of doing it, and that we have done everything short of ramming it down their throats to demonstrate that there are better ideas in this case.

Our amendments are on paper. The government has an opportunity to add amendments of its own and to withdraw the closure motion. If it does not do so in the next couple of days, we will do it after the next election. The government's obstinacy on this bill is leading this party and, more important than that, is showing the entire country a much clearer picture of what this government stands for, Mr. Speaker. For the last six months the government has been floundering around for ways in which it can skip its way through the obstacles and manage to cling on to power in the next election. If ministers want to do it, I think the best way to do it is to indicate that there is some responsiveness over there to fulfil the real needs of Canadians, and if, on the other hand, they are interested in sitting on this House, then they are taking exactly the right course, and while I cannot applaud on behalf of the people of Canada, if I were a partisan individual I would certainly applaud on behalf of the Conservative party.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want to say a few words on this motion in response to some of the arguments that have been made. I was very interested in hearing the hon. member for Rosedale (Mr. Crombie) talk earlier about the fact that this bill is going to put a lot of extra burden on the municipalities and the provinces. Of course he is absolutely right because of the fact that we are cutting back in this legislation on unemployment insurance by 10 per cent, which means that a lot of people will have to go on welfare and draw social security who have not drawn it before.

• (2112)

The only thing that puzzles me is that, even though he made a tremendous speech, other people in his party for the last couple of years have been advocating to the government across the way more restraints and cutbacks. Even the hon. member who is the critic and spokesman for the Conservative party, and I assume he would be sitting as a minister if they happened to win, the hon. member for Vancouver Quadra (Mr. Clarke), said, if I remember correctly, that the bill does not go far enough in terms of cutbacks, but was a step in the right direction. I have to assume that member is a credible member and was speaking for his party. I think the hon. member for Rosedale ought to take him out behind the barn and teach him a lesson or two about what a bill like this does to the municipalities and provinces in our country.

The other thing I find passing strange when I look to my right and see the hon. member for Kingston and the Islands (Miss MacDonald) and the hon. member for Egmont (Mr. MacDonald), the so-called progressives of that party—

Some hon. Members: Oh, oh!

Mr. Nystrom: I say "so-called" because the more I see them the more I am convinced that they stand there with the hon. member for Leeds (Mr. Cossitt), the hon. member for York-Simcoe (Mr. Stevens), the hon. member for Vancouver Quadra and others. I recall, when the family allowance meas-

ure was debated, the many arguments that we should not consider family income whatsoever. I wonder how they can now sit in their seats and hear other Conservative members talking about the two-tier system under which families have to be considered. I wonder how they can do that without getting up and objecting. I saw the hon. member for Egmont trying to get the floor so I assume that he is going to get up and argue in favour of the two-tier system, in order to continue being the hypocrite he has been in this House for the last few years.

I should like to take a look at the Tory party's plan for the two-tier system because they say they are going to help the ordinary people of this country. I am very fond of the hon. member for St. John's East (Mr. McGrath) and St. John's West (Mr. Crosbie), partly because I am very fond of Newfoundland and consider these two as members of an endangered species. I saw what happened to the Tory support in Humber-St. George's-St. Barbe where the Tory party dropped from winning a seat just a few years ago to running a dismal third.

Let me take a look at what that two-tier system really means, and there is no better place to see what will happen than in the province of Newfoundland, because in Newfoundland we have high unemployment and the highest cost of living in the country. We have more poor people in that province than in any other part of our country, and we should look at what would happen there under the Tory plan.

When we talk about that Tory two-tier system what really is it going to mean? We all know presently that unemployment insurance payments are 66⅔ per cent of average insurable weekly earnings. The government proposes to reduce that to 60 per cent. What the Tory party wants to do is leave this at 66⅔ per cent, but only for those people with dependants, not for the poor person who is single and does not have dependants. Let me remind the hon. member for Kingston and the Islands that 90 per cent of women who draw unemployment insurance do not have dependants. She wants to make sure that they draw only 50 per cent of the average insurable weekly earnings.

Let us look at an example of the Conservative party plan in order to see what that party really wants in Canada. Today a fish plant worker in the province of Newfoundland who is working for the minimum wage in that province of $2.50 an hour, works an average of 40 hours a week, earning $100. What does the Conservative party propose for Christmas? What does that Santa Claus clown Crosbie and the other people in the Conservative party propose? A fish plant worker receiving $2.50 an hour works for some 40 hours a week and receives $100. If that worker is laid off, under the Conservative plan she or he will receive $50 a week. I do not know who in the devil in this country could buy their food, pay for their shelter, and pay their taxes, on $50 a week. I do not know how the devil they could do it.

The Conservative party is suggesting that someone in this country can live on $2,600 a year. That is what $50 a week times 52 weeks works out to, and that is what the Conservative party is suggesting, those so-called friends of the ordinary man. I suggest that the Leader of the Opposition (Mr. Clark) is the $50 Santa Claus of the poor people of this country.

We should call their plan what it is, and that is precisely what the Conservative party is advocating, 50 bucks a week for the people of this country who are drawing unemployment insurance benefits. The so-called red Tories, like the hon. member for Egmont and the hon. member for Kingston and the Islands, get up and chastise the government, and so they should, for cutting back on unemployment insurance benefits, yet the plan they are advocating for their constituents is a hell of a lot worse than the plan of hon. members across the way.

Let us consider the part-time worker, the waitress in Newfoundland. The hon. member for Kingston and the Islands pretends to defend the women in the work force of this country. The waitress who is working 20 hours a week for the minimum $2.50 an hour receives some $50 a week. Her unemployment insurance under the Conservative plan would be $25 a week. That is what the Conservative plan is for the part-time workers of this country. That is what is offered by that Santa Claus from Rocky Mountain. That Santa Claus must be stopped dead in his tracks, as I am sure he would be if the people of this country were aware of what he really stands for.

I got a real education in what the Conservative party meant during our campaign in Saskatchewan just a few months ago when I saw a guy named Dick Collver trying to get elected. When we told the people of Saskatchewan the facts, the Conservative party in that province was smashed and turned back decisively for the first time in the last number of years.

It is about time we told the people of this country the facts about those people who sit to our right. They suggest that the people of this country can live on $2,600 a year. That is what they are saying: 50 bucks a week. That's what the Leader of the Opposition is saying, that great big Santa Claus, that hypocrite who comes into this House and says 50 bucks a week is what the people of this country can live on. I sure as hell can't do it and I am damned sure the Leader of the Opposition can't do it either. If he thinks otherwise, I would like to see him get up in this House and tell us how the ordinary person in this country can live on some 50 bucks a week.

Let us look at the two-tier system.

An hon. Member: Let's debate the motion.

Mr. Nystrom: Let us debate the Tory motion. We are not getting to that motion because they are afraid to get to it. This motion hits women, and 95 per cent of the women drawing unemployment insurance do not have dependants. They will be getting only 50 per cent of the weekly insurance earnings. The Tories want to hit women, and they want to hit them hard. As I said, they are hitting the waitress in Newfoundland who is getting some 50 bucks a week. That is what is proposed by this Santa Clause from Rocky Mountain. That is what the Conservative party is offering the people of this country. We know that the women in this country are the last people to be hired and the first to be fired. They are one of the targets of the

Conservative party when its members talk about a two-tier system.

Hon. members in that party get up and talk about the great contribution the young people of this country could make if they had the opportunity. Of course they could make a contribution. The government deserves a lot of criticism and, for God's sake, the hon. member for Nickel Belt (Mr. Rodriguez) has criticized the government day in and day out in the committee, but what is the Conservative party doing for the young people? First of all, most young people do not have jobs, and most of the ones who are working are at the lower end of the wage scale in this country. When these young people are laid off they too will be receiving some 50 per cent of insurable weekly earnings, so the motion of that Santa Clause from Rocky Mountain is going to hit the young people and the women of this country, and that is not right.

● (2122)

The other people that the Santa Clause from Rocky Mountain wants to hit are those who live in the Atlantic provinces. We know that is where the unemployment is. We also know that in a place like Newfoundland the cost of living is higher than in Alberta, Saskatchewan or Ontario. I should like to know where some of the members from the Atlantic provinces are tonight. The members of our caucus from that area spoke out in committee and in this House about why people in the Atlantic provinces are unhappy with Premier Moores and the proposals of the Conservative party—and the Liberals, of course. That is obvous. Those are the people that the Conservatives want to hit under the two-tier system—the women, the young, and the people from the Atlantic provinces and poor parts of the country. That is not fair at all, Mr. Speaker.

I just wanted to make those non-partisan remarks about the Tory motion—that we will not reach—about the two-tier system. The Tories have been holding us up on clause 1 because they are embarrassed to get to their motion regarding the two-tier system.

I am not going on longer, Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Nystrom: —because I want to hear what the so-called red Tory, the great leftist, the Tory we always see out at all the progressive movements, the hon. member for Egmont, is going to say about that two-tier system. The hon. member for Vancouver Quadra and other members have been talking about more cutbacks and more restraint. I know the hon. member for Egmont very well, and I know how concerned he is about the cutbacks hurting the ordinary people who cannot defend themselves, but his party has been advocating restraint for the last two years. Of course when things are restrained, as they have been in Manitoba, the people who suffer most are those least able to fight back—the unemployed, the women, the young, and in Manitoba, the Indians and Metis have been affected. Those people could tell lots of stories about what has happened in Manitoba.

We have all seen the statistics for Manitoba, Mr. Speaker. In the last year unemployment has shown the greatest increase in Manitoba of any province—it has increased by over 30 per cent. Did someone call out that that was a lie? If so, I should like him to state that publicly. The facts show that unemployment has increased in Manitoba by about 30 per cent in the last year. That is a higher rate of increase than in any other province and it has happened because of the meat-axe that Premier Lyon has taken to that province. There are many stories about the programs that are being chopped.

Let me return to discuss what is happening in this House, Mr. Speaker. The Conservative party is advocating that when a worker in Newfoundland, for instance is laid off, he should receive $50 per week. The Leader of the Opposition is the $50 Santa Claus. That is what the Conservative party is advocating, and that is what the people of this country must understand about the party to my right. The leader is the $50 Santa Claus from Rocky Mountain. Part-time workers would receive as little as $25 per week, and if anyone can live on that, I will be very surprised.

This is an insurance plan, Mr. Speaker, and everybody should contribute equally according to the same formula. The workers of the country are supposed to contribute equally, but under the Conservative two-tier system they would receive benefits in a different way. The single worker would make the same contribution as the worker with dependants, but if the worker with dependants were laid off, he would receive more than the single worker without dependants. Is that equity? I again direct my remarks to the so-called red Tories, the two MacDonalds, and ask them if it is?

A member of the Conservative party interjects to say that universality is tearing the country apart. Are old age pensions tearing this country apart? Is medicare tearing this country apart? Is hospitalization tearing this country apart? Is that where the Leader of the Opposition stands—that medicare and hospitalization are tearing this country apart? Is that the position of the Conservative party? I want to know, Mr. Speaker, because I have seen Tories in this House speak out of both sides of their mouths.

If I want a Tory to support a progressive cause, I know where to go. I can get the hon. member for Egmont, the hon. member for Kingston and the Islands, or one or two other members of that party. They will shed their crocodile tears, and weep and moan. That is why I have immense respect for the hon. member for York-Simcoe; that is why I have immense respect for the hon. member for Don Valley (Mr. Gillies), and for the hon. member for Vancouver Quadra, who are the true Conservatives, the people who control the Conservative party and who defend Conservative principles in this House.

The hon. member for Egmont is waiting to speak. He will moan and groan that this plan hurts the ordinary people, but I should like him to address some of the matters I have addressed. What about equity in paying for the unemployment insurance plan? If the hon. member for Vegreville (Mr. Mazankowski), for example, was an ordinary worker with a

family, he would be making the same contribution to this plan as the hon. member for Humber-St. George's-St. Barbe (Mr. Faour) who is single and has no family, but if they were laid off, he would only get 50 per cent while the hon. member for Vegreville would get 66⅔ per cent, yet both would pay the same price for a gallon of gas and the same taxes to the Newfoundland government.

I do not see how the so-called progressive Tories on the front bench can claim that this is equity. I wanted to hear them defend the Santa Claus leader of the opposition. In summary, what he is saying to the Canadian people is that someone who makes the minimum wage can live on $50 a week, or $2,600 a year. This has been said loud and clear, Mr. Speaker. He is the $50 Santa Claus. That is damned pathetic in a country as wealthy as Canada, Mr. Speaker. It is damned, damned pathetic, indeed.

Some hon. Members: Hear, hear!

Mr. David MacDonald (Egmont): Mr. Speaker, I cannot say that I always enjoy speaking in this place or listening to hon. members speak, but I did enjoy the performance of the hon. member for Yorkton-Melville (Mr. Nystrom). I do not think I have ever seen him speak with such vehemence. But vehemence relates to many things and I can understand his frustration. I suppose anyone would be frustrated who was playing second banana to the hon. member for Nickel Belt (Mr. Rodriguez).

An hon. Member: That is an interesting comment in the House of Commons.

Mr. Paproski: Will you tell those Liberals to be quiet?

Mr. MacDonald (Egmont): I know the government is embarrassed and exercised with this, but if hon. members could suppress their frustrations a little longer we will get to the unpleasant aspect of facing the guillotine in all these report stage amendments.

• (2132)

The hon. member for Yorkton-Melville was obviously performing as a double duty man tonight, speaking in part for his party, although one felt he was speaking primarily for the government side. I do not think the government enjoyed any speech as much as the one made by the hon. member for Yorkton-Melville. Quite frankly, I kept pinching myself to find out if I had fallen asleep and then awakened in a new parliament where we were the government, and the member for Yorkton-Melville was assuming his normal role in the opposition. He is intelligent enough to know he will never carry the responsibility of being on the government side in this House. Therefore, he must ventilate his frustrations from time to time, and this he has done very well, so much so that the hon. member for Regina-Lake Centre (Mr. Benjamin), who has just interrupted, had to remind him at one point to include also the Liberals in his criticism as he fired off salvo after salvo in our direction.

[Mr. Nystrom.]

I find it passing strange that the party this member represents which was so anxious to move and to discuss two dozen of the report stage amendments spent no time at all dealing with any of these supposedly important amendments but focused entirely on one of ours—

Mr. Benjamin: Sit down. Let's go to one of yours.

Mr. MacDonald (Egmont): I will, if you give me time. If my hon. friends to the left could restrain themselves, I simply say that the one amendment the member talked about is not perfect.

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): It is not perfect, but it is a darn sight better than what the minister is trying to ram through this parliament tonight.

Some hon. Members: Shame!

Mr. MacDonald (Egmont): I suppose, in the nature of the speech that was given, the member wanted to ignore altogether that this particular amendment happened to be supported by his premier, Mr. Blakeney of Saskatchewan, as well as all the other premiers. The government members are great for heckling from the benches but they sort of laid off having their own speakers and are deputizing some of my friends to the left in the NDP.

My time is limited, Mr. Speaker, and I want to deal with the more serious aspects of the speech—

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): —having passed off from the fun and games and the kind of light diversion supplied by the hon. member for Yorkton-Melville.

The minister knows, and I see some of my Atlantic friends, at least one or two of them on the other side, who know as well that there is no particular item or government initiative which has greater potential for damage at the present time for the economy of the Atlantic region than the measure we are considering tonight.

An hon. Member: Ah!

Mr. MacDonald (Egmont): The hon. member for Sherbrooke (Mr. Pelletier) or wherever it is, says "ah!" But he better do his homework and look at the figures. I have been expecting for some time to hear the Minister of Regional Economic Expansion (Mr. Lessard) speak up in this debate. We know only too well that the economic impact of unemployment insurance in the Atlantic provinces is of major importance.

I am glad to see the Secretary of State for External Affairs (Mr. Jamieson) is here in the House tonight because he occupied, for a period of time, the important responsibility of being Minister of Regional Economic Expansion. If the minister had an opportunity to speak in this debate, I am sure he would confirm that the ratio in the 1970s between the amount

of money that was put into the establishment of new industry and the amount of money expended on an annual basis through unemployment insurance is simply astronomical in its difference. In fact, the amount of money that will be claimed as savings this year by the Minister of Employment and Immigration (Mr. Cullen) will be greater than the total amount of money spent over the last ten years on regional development incentives in the Atlantic provinces. The Secretary of State for External Affairs seems to doubt that statement, so I think it would be useful to put the figures on record.

These figures are not coming from any mysterious source, at least no more mysterious than the minister's own figures supplied to the committee. However, it will be useful to have them on the record so that in days to come people will be able to look back and see what kind of action was being taken by this government and the resulting harm it will have on the Atlantic economy. No one should be unaware of the significant measures that are being taken by this government that will cause considerable damage.

I cannot think of an action that is being taken by this government that will do greater economic damage to the Atlantic provinces, indeed to parts of Quebec and to other parts of the country, than this particular measure. The minister has told us, and these are figures which have been supplied from his own records, that in Prince Edward Island, my own province, this bill will eliminate on an annual basis something like 3,500 claimants at a cost of some $13.1 million, which is approximately 28 per cent of the current payments annually to that province. If that is not considered a large amount of money to the over-all economy of Prince Edward Island, then an examination of the situation has simply not been made.

In New Brunswick, and I see some hon. members from New Brunswick here tonight, some 11,600 claimants will be removed, costing the province $62.7 million, or 23 per cent of the annual payments made under unemployment insurance. In Newfoundland there will be some 8,800 claimants eliminated at a cost of $52.2 million, which is 20 per cent of the payments. In Nova Scotia there are 11,000 claimants eliminated, at a cost of $43.8 million or 19 per cent of present payments. In the Gaspé, Quebec, there will be a reduction of some 4,000 claims costing that area $25 million.

The four Atlantic provinces this year will receive in unemployment insurance payments something like $805 million. There will be a loss next year of $175 million, or 21.7 per cent of the total. That is about double what has been spent in the region under RDIA in the more than ten years since its inception, or just under the amount of the DREE budget for Atlantic Canada last year. This is the kind of figure we are dealing with in global terms. I think it has to be kept in that kind of perspective.

Many people have spoken on why the government has taken this action, and the kind of perceptions they have had of what people thought should be done with a program that has rapidly got out of hand. And, as the minister said in his opening press conference around the end of August or the beginning of September, these changes were being made in order to reduce the incentive to draw unemployment insurance benefits and to encourage people to find employment. But, in the area of Atlantic Canada—and indeed this is a sorry statistic that all of us unhappily recognize—in the ten-year period that the Department of Regional Economic Expansion has been in existence the gap in unemployment between our region and the rest of the country—has grown substantially in Atlantic Canada to the point now where it is increasingly difficult if not impossible to find employment.

For instance in my province the major industries are seasonal in nature. They are agriculture, fisheries, and tourism. These industries can offer employment only for limited periods of time. In particular, two of the major industries, fisheries and tourism, offer employment opportunties for men and women for not much longer than a dozen weeks. If people are lucky, they may get as much as 14 weeks employment, but in many other instances that is not possible. What does that do to an economy? That means in many instances that families who have been able to get by with a period of employment during the year and then some form of insurance payments for the rest of the year, will now not be able to count on what made the difference between living below the poverty level and living just a bit above it. For the government to say that it is bringing in these measures with a view to creating other forms of work employment opportunity will simply mislead everyone.

I was quite surprised when the Minister of Regional Economic Expansion was here this afternoon and agreed with the Leader of the Opposition (Mr. Clark) in saying that obviously something would have to be done to make up that short-fall income both on a personal and general basis in the Atlantic provinces. He seemed to imply, at least from his seat, that some program and some kind of expenditure would take place under his responsibility and through his department. However, Mr. Speaker, you and I both know there is no plan, policy or program that would even begin to touch the kind of hardship and needs that are rapidly going to be created as this program is implemented.

● (2142)

I know the government has taken this action being chiefly concerned with trying to recover its own reputation. It has done so under what I consider to be a cynical approach. What is perhaps most cynical is that most of the measures being implemented under this legislation will not begin to have any significant impact until some time just after the next election, six to nine months from now.

The minister, and presumably the government, are seeking to have the best of both worlds. He is hoping to convince the Canadian public that he has acted responsibly in restraint, when we know that not to be the case. This becomes clearer day by day. The minister hopes this will not have a negative impact on thousands and thousands of people in the Atlantic area until after the election takes place. That is the height of political cynicism. For this government, that is operating at a very high level indeed.

One of my colleagues who spoke before me suggested in terms of this approach with regard to the Atlantic provinces that we are seeing a "scorched earth" policy in which the government is quite prepared to sacrifice the situation, the future, the hopes and the dreams of the people in the Atlantic provinces. Whether that is true or not, there is one thing that is very clear. The great commitment made by the Prime Minister (Mr. Trudeau) a decade ago, as one of his two top priorities, to alleviate regional disparity has now been thrown to the wind.

If ever there was a commitment for the alleviation of regional disparity, it has died a total and dramatic death in the introduction of Bill C-14. If any member from the Atlantic provinces, on the other side, or this side of the House, were to support this bill, it would defy the imagination in terms of the obvious impact it will have on the people he or she represents.

I am not surprised that those government members from the Atlantic area who spoke in the debate this week have criticized the government and can in no way join in the support of this measure. I only hope they follow through on that either by their votes this evening on these amendments or when we come to the final and third reading debate tomorrow.

Mr. Speaker: Order, please. It being 9.45, pursuant to order made yesterday, Wednesday, December 20, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the report stage of Bill C-14, an act to amend the Unemployment Insurance Act, 1971.

I might perhaps indicate my intended method of dealing with these questions. I propose to call all of the motions and take a voice vote. I will, of course, indicate the result that I have from the voice vote. Upon each result, the House ought to indicate whether it desires a recorded division in the usual way by the appropriate number of members standing in their places. We can then either record the result or defer the motion for a recorded division and, at the end of all of the motions, call in the members and take all of the recorded divisions.

The question is on motion No. 1 in the name of the hon. member for New Westminster (Mr. Leggatt). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

[Mr. MacDonald (Egmont).]

Mr. Speaker: We will record that motion No. 1 will be dealt with by a recorded division.

The question is upon motion No. 2 in the name of the hon. member for Broadview (Mr. Rae):

Motion No. 2

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 2.

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Speaker: I declare the motion negatived on division.

Motion No. 2 (Mr. Rae) negatived.

Mr. Speaker: The question is on motion No. 3 in the name of the hon. member for Broadview (Mr. Rae):

Motion No. 3

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended in clause 2 by striking out lines 19 to 28 at page 1 and substituting the following therefor:

"end of paragraph (*f*) thereof and by adding thereto the following paragraphs:

'(*h*) any employment with an employer in which persons are employed for less than twenty hours in a week or in which the earnings of persons are less than thirty per cent of the maximum weekly insurable earnings; and

(*i*) unless otherwise prescribed, paragraph (*h*) does not apply to an employee where the national unemployment rate that applies to him is greater than four per cent.' "

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Motion No. 3 will be decided by a recorded division.

The question is upon motion No. 4 in the name of the hon. member for Broadview (Mr. Rae):

Motion No. 4

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended in clause 2 by striking out lines 24 to 28 at page 1 and substituting the following therefor:

"in which the earnings of persons are less than the lesser of 20 times the provincial hourly minimum wage or one-fith of the maximum insurable earnings."

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Speaker: I declare the motion defeated on division.

Motion No. 4 (Mr. Rae) negatived.

Mr. Speaker: The question is on motion No. 5 in the name of the hon. member for Humber-St. George's-St. Barbe (Mr. Faour):

Motion No. 5

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended in clause 3 by striking out line 6 at page 2 and substituting the following therefor:

"sections 17(5) and (6), has been".

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: The motion will be decided by a recorded division.

The question is on motions Nos. 6 and 7. Both motions are to the same effect. Mr. Knowles (Winnipeg North Centre) moves:

Motion No. 6

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 4.

Mr. Clarke moves:

Motion No. 7

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 4.

Those in favour of motions Nos. 6 and 7 will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Motions Nos. 6 and 7 will be decided by a recorded division.

The next question is upon motion No. 10, which will dispose of Nos. 8 and 9. Mr. Knowles (Winnipeg North Centre) moves:

Motion No. 10

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended in clause 4 by striking out lines 2 to 5 at page 3 and substituting the following therefor:

"tions (2) and (4) do not apply to an insured person where the national rate of unemployment which applies to his occupation, as defined by Statistics Canada, is greater than four per cent."

Motion No. 8

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended in clause 4 by striking out line 2 at page 3 and substituting the following therefor:

"tions (2) and (4) do not apply to an insured".

Motion No. 9

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended in clause 4 by striking out lines 2 to 5 at page 3 and substituting the following therefor:

"tions (2) and (4) do not apply to an insured person where the regional rate of unemployment that applies to him is greater than four per cent."

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: The motion will be decided by a recorded division.

I earlier ruled that on procedural grounds motion No. 11—the minister is rising on a point of order.

Mr. Cullen: Mr. Speaker, when I introduced motion No. 11 I knew it was not in order on procedural grounds and that I would need the unanimous consent of the House in order that it be adopted. I gave that undertaking at the committee stage. I believe there is a general disposition to give unanimous consent so that motion No. 11 can be carried.

Mr. Baker (Grenville-Carleton): That is correct, Mr. Speaker. Consent is given as far as this party is concerned.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Beaudoin: Agreed.

Mr. Speaker: The minister would require the consent of the House to present this motion at this time. Is there unanimous consent?

Some hon. Members: Agreed.

Hon. Bud Cullen (Minister of Employment and Immigration) moved:

Motion No. 11

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended by adding immediately after line 5 at page 4 the following new clause:

"4.1 Paragraph 18(2)(*a*) of the said act is repealed and the following substituted therefor:

'(a) incapable of work by reason of any prescribed illness, injury, quarantine or pregnancy.' "

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

Some hon. Members: Agreed.

Motion No. 11 (Mr. Cullen) agreed to.

● (2152)

Mr. Speaker: The question in on motion No. 13 in the name of the hon. member for Humber-St. George's-St. Barbe (Mr. Faour):

Motion No. 13

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 5.

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: This will be decided by a recorded division.

The question is upon motion No. 14 in the name of hon. member for Vancouver Quadra (Mr. Clarke):

Motion No. 14

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended in clause 5 by striking out lines 9 to 14 at page 4 and substituting the following therefor:

"24. (1) The rate of weekly benefit payable to a claimant for a week of unemployment that falls in his/her benefit period

(*a*) in the case of a claimant without a dependant is an amount equal to fifty per cent of his/her average weekly insurable earnings in his/her qualifying weeks,

(*b*) in the case of a claimant with a dependant is an amount equal to sixty-six and two-thirds per cent of his/her average weekly insurable earnings in his/her qualifying weeks,

(*c*) for the purposes of paragraph (*b*) where a husband or wife or a common-law husband or a common-law wife qualifies as a claimant with a dependant, either the husband or wife or either the common-law husband or common-law wife may elect to qualify as a claimant with a dependant, and

(*d*) notwithstanding anything in paragraphs (*b*) and (*c*), in the case of a claimant who lost his/her employment by reason of his/her own misconduct or who voluntary left his/her employment without just cause is an amount equal to fifty per cent of his/her average weekly insurable earnings in his/her qualifying weeks."

Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: This will be decided upon a recorded division.

The question is upon motion No. 15 in the name of the hon. member for Nickel Belt (Mr. Rodriguez):

Motion No. 15

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended in clause 5 by adding immediately after line 20 at page 4 the following:

[Mr. Speaker.]

"(3) Where subsection (1) would have the effect of reducing any benefits payable to employees by their employer under the terms of a collective agreement in force between them to which the *Canada Labour Code* or the *Public Service Staff Relations Act* applies, subsection 24(1) of the *Unemployment Insurance Act, 1971* shall be deemed, for the purposes of those terms of the collective agreement, to read as it did immediately before this section came into force."

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Speaker: I declare the motion negatived on division.

Motion No. 15 (Mr. Rodriguez) negatived.

Mr. Speaker: The next question is upon motion No. 16 in the name of the hon. member for Cape Breton-East Richmond (Mr. Hogan):

Motion No. 16

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 70.

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Speaker: I declare the motion negatived on division.

Motion No. 16 (Mr. Hogan) negatived.

Mr. Speaker: The question is upon motion No. 17 in the name of the hon. member for Yorkton-Melville (Mr. Nystrom):

Motion No. 17

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 80.

Those in favour of motion No. 17 will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: This will be decided by a recorded division.

• (2202)

The question is on Motion 18 in the name of the hon. member for Yorkton-Melville (Mr. Nystrom):

Motion No. 18

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended in clause 8 by striking out lines 6 and 7 at page 5 and substituting the following therefor:

"(iv) benefits under section 37 and, provided that the national rate of unemployment is at or below four per cent, benefits under section 34."

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Speaker: I declare the motion negatived on division.

Motion No. 18 (Mr. Nystrom) negatived.

Mr. Speaker: The next question is upon motion No. 19 in the name of the hon. member for Broadview (Mr. Rae):

Motion No. 19

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 9.

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: This will be decided by a recorded division.

The question is on motion No. 20 in the name of the hon. member for Broadview (Mr. Rae):

Motion No. 20

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended in clause 9

(*a*) by striking out line 13 at page 5 and substituting the following therefor:

"and earnings to weeks or to pay periods provided that the regional rate of unemployment which applies to the person is less than four per cent."

(*b*) by striking out line 18 at page 5 and substituting the following therefor:

"of premiums payable provided that the regional rate of unemployment which applies to the person is less than four per cent."

Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Speaker: I declare the motion negatived on division.

Motion No. 20 (Mr. Rae) negatived.

Mr. Speaker: The question is on motion No. 21 in the name of the hon. member for Brant (Mr. Blackburn):

Motion No. 21

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 10.

Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: This will be decided by a recorded division.

The question is now on motion No. 22 in the name of the hon. member for Brant (Mr. Blackburn):

Motion No. 22

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 11.

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Speaker: I declare the motion negatived on division.

Motion No. 22 (Mr. Blackburn) negatived.

Mr. Speaker: The question is on motion No. 23 in the name of the hon. member for Timiskaming (Mr. Peters):

Motion No. 23

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 12.

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Speaker: I declare the motion negatived on division.

Motion No. 23 (Mr. Peters) negatived.

● (2212)

Mr. Speaker: The question is on motion No. 24 in the name of the hon. member for Cape Breton-East Richmond (Mr. Hogan):

Motion No. 24

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 13.

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Speaker: I declare the motion negatived on division.

Motion No. 24 (Mr. Hogan) negatived.

Mr. Speaker: The question now is on motion No. 25 in the name of the hon. member for Cape Breton-East Richmond (Mr. Hogan):

Motion No. 25

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended in clause 13 by striking out lines 16 and 17 at page 6 and substituting the following therefor:

"(*a*) extended benefits under section 35 and subsections 38(8) and 39(3) and, provided that national unemployment rate is greater than four per cent, section 34; and"

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Speaker: I declare the motion negatived on division.

Motion No. 25 (Mr. Hogan) negatived.

Mr. Speaker: The question is on motion No. 26 in the name of the hon. member for Winnipeg North (Mr. Orlikow):

Motion No. 26

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 14.

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

[Mr. Speaker.]

And more than five members having risen:

Mr. Speaker: This will be decided by a recorded division.

The question is on motion No. 28 in the name of the hon. member for Winnipeg North (Mr. Orlikow):

Motion No. 28

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended in clause 14:

(*a*) by striking out line 16 at page 7 and substituting the following therefor:

"amount that is two times the"

(*b*) by striking out line 26 at page 7 and substituting the following therefor:

"that is two times the max-".

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Speaker: I declare the motion negatived on division.

Motion No. 28 (Mr. Orlikow) negatived.

Mr. Speaker: The last question is upon motion No. 29 in the name of the hon. member for Timiskaming (Mr. Peters):

Motion No. 29

That Bill C-14, an act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 15.

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more then five members having risen:

Mr. Speaker: This will be decided by a recorded division. Call in the members.

● (2222)

Order, please. The question is on motion No. 1 in the name of the hon. member for New Westminster (Mr. Leggatt).

The House divided on motion No. 1 (Mr. Leggatt) which was negatived on the following division:

(*Division No. 19*)

YEAS

Messrs.

Beaudoin	Faour	Nystrom
Benjamin	Janelle	Peters
Blackburn	Knowles (Winnipeg North Centre)	Rae
Brewin	Leggatt	Rodriguez
Caouette (Villeneuve)		Symes—14

NAYS
Messrs.

Abbott
Allmand
Anderson
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Baldwin
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax-East Hants)
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
Dawson
De Bané
de Cotret
Demers
Dick
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupont
Dupras
Ellis
Elzinga
Epp
Ethier
Faulkner
Fleming
Forrestall
Foster
Francis
Friesen
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Grafftey
Guilbault
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hare
Hargrave
Harquail
Hees
Herbert
Hnatyshyn
Holt (Mrs.)
Horner
Howie
Huntington
Jamieson
Jarvis
Johnston
(Westmount)
Joyal
Kaplan
Kempling
Lachance
Lalonde
Lambert
(Edmonton West)
Lamontagne
Landers
Langlois
Laniel
Lapointe
La Salle
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the
Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Macquarrie
Maine
Malone
Marceau
Marchand
Martin
Masniuk
Mazankowski
McCain
McCrossan
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Muir
Murta
Neil
Nicholson (Miss)
O'Connell
Olivier
Ostiguy
Ouellet
Paproski
Parent
Parker
Patterson
Pearsall
Pelletier
Penner
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Ritchie
Roberts
Rompkey
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Savard
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Siddon
Stanfield
Stevens
Stewart
(Cochrane)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Whiteway
Woolliams
Yanakis
Yewchuk
Young—177

Mr. Speaker: I declare motion No. 1 lost.

The next vote is upon motion No. 3 in the name of the hon. member for Broadview (Mr. Rae).

The House divided on motion No. 3 (Mr. Rae) which was negatived on the following division.

Unemployment Insurance Act

(Division No. 20)

YEAS
Messrs.

Beaudoin
Benjamin
Blackburn
Brewin
Caouette
(Villeneuve)
Faour
Janelle
Knowles
(Winnipeg
North Centre)
Leggatt
Nystrom
Peters
Rae
Rodriguez
Symes—14

NAYS
Messrs.

Abbott
Allmand
Anderson
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Baldwin
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax-East Hants)
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
Dawson
De Bané
de Cotret
Demers
Dick
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupont
Dupras
Ellis
Elzinga
Epp
Ethier
Faulkner
Fleming
Forrestall
Foster
Francis
Friesen
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Grafftey
Guilbault
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hare
Hargrave
Harquail
Hees
Herbert
Hnatyshyn
Holt (Mrs.)
Horner
Howie
Huntington
Jamieson
Jarvis
Johnston
(Westmount)
Joyal
Kaplan
Kempling
Lachance
Lalonde
Lambert
(Edmonton West)
Lamontagne
Landers
Langlois
Laniel
Lapointe
La Salle
Lavoie
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the
Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Macquarrie
Maine
Malone
Marceau
Marchand
Martin
Masniuk
Mazankowski
McCain
McCrossan
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Muir
Murta
Neil
Nicholson (Miss)
O'Connell
Olivier
Ostiguy
Ouellet
Paproski
Parent
Parker
Patterson
Pearsall
Pelletier
Penner
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Ritchie
Roberts
Rompkey
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Savard
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Siddon
Stanfield
Stevens
Stewart
(Cochrane)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Whiteway
Woolliams
Yanakis
Yewchuk
Young—178

● (2232)

Mr. Speaker: I declare motion No. 3 lost.

The question is on motion No. 5 in the name of Mr. Faour.

The House divided on motion No. 5 (Mr. Faour) which was negatived on the following division:

(Division No. 21)

YEAS

Messrs.

Benjamin
Blackburn
Brewin
Faour
Knowles (Winnipeg North Centre)
Leggatt
Nystrom
Peters
Rae
Rodriguez
Symes—11

NAYS

Messrs.

Abbott
Allmand
Anderson
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Grenville-Carleton)
Baldwin
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crombie
Crosbie (St. John's West)
Crosby (Halifax-East Hants)
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
Dawson
De Bané
de Cotret
Demers
Dick
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Duclos
Dupont
Dupras
Ellis
Elzinga
Epp
Ethier
Faulkner
Fleming
Forrestall
Foster
Francis
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Grafftey
Guilbault
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hare
Hargrave
Harquail
Hees
Herbert
Hnatyshyn
Holt (Mrs.)
Horner
Howie
Huntington
Jamieson
Jarvis
Johnston (Westmount)
Joyal
Kaplan
Kempling
Lachance
Lalonde
Lambert (Edmonton West)
Lamontagne
Landers
Langlois
Laniel
Lapointe
La Salle
Lavoie
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Macquarrie
Maine
Malone
Marceau
Marchand
Martin
Masniuk
Mazankowski
McCain
McCrossan
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Muir
Murta
Neil
Nicholson (Miss)
O'Connell
Olivier
Ostiguy
Ouellet
Paproski
Parent
Parker
Patterson
Pearsall
Pelletier
Penner
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Ritchie
Roberts
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Siddon
Stanfield
Stevens
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Whiteway
Woolliams
Yanakis
Yewchuk
Young—178

[Mr. Speaker.]

Mr. Speaker: I declare motion No. 5 lost.

The question now is on motion No. 6 which will dispose of the vote on motion No. 7. It stands in the name of Mr. Knowles (Winnipeg North Centre), seconded by Mr. Peters.

The House divided on motion No. 6 (Mr. Knowles (Winnipeg North Centre)) which was negatived on the following division.

(Division No. 22)

YEAS

Messrs.

Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Beatty
Beaudoin
Benjamin
Blackburn
Brisco
Caouette (Villeneuve)
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Crombie
Crosbie (St. John's West)
Crosby (Halifax-East Hants)
Crouse
Darling
de Cotret
Dick
Ellis
Elzinga
Epp
Faour
Forrestall
Friesen
Gillies
Grafftey
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hare
Hargrave
Hees
Hnatyshyn
Howie
Huntington
Janelle
Jarvis
Kempling
Knowles (Winnipeg North Centre)
Lambert (Edmonton West)
La Salle
Lawrence
Leggatt
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
Macquarrie
Malone
Masniuk
Mazankowski
McCain
McCrossan
McGrath
McKinley
McKinnon
Muir
Murta
Neil
Nystrom
Paproski
Parker
Patterson
Peters
Pigott (Mrs.)
Rae
Ritchie
Rodriguez
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Siddon
Stanfield
Stevens
Symes
Whiteway
Woolliams
Yewchuk—77

NAYS

Messrs.

Abbott
Allmand
Anderson
Andres (Lincoln)
Appolloni (Mrs.)
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
Dawson
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Duclos
Dupont
Dupras
Ethier

Messrs.

Faulkner
Fleming
Foster
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Guilbault
Harquail
Herbert
Holt (Mrs.)
Horner
Jamieson
Johnston (Westmount)
Joyal
Kaplan
Lachance
Lalonde
Lamontagne
Landers
Langlois
Laniel
Lapointe
Lavoie
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacEachen
MacFarlane
MacGuigan
Maine
Marceau
Marchand
Martin
McIsaac
McRae
Milne
Nicholson (Miss)
O'Connell
Olivier
Ostiguy
Ouellet
Parent
Pearsall
Pelletier
Penner
Pinard
Portelance
Prud'homme
Railton
Roberts
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Savard
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Yanakis
Young—114

Mr. Speaker: I declare motions 6 and 7 lost.

● (2242)

The next question is upon motion No. 10 which will also dispose of motions Nos. 8 and 9 in the name of the hon. member for Winnipeg North Centre (Mr. Knowles).

The House divided on motion No. 10 (Mr. Knowles) which was negatived on the following division:

(*Division No. 23*)

YEAS

Messrs.

Benjamin
Blackburn
Faour
Knowles (Winnipeg North Centre)
Leggatt
Nystrom
Peters
Rae
Rodriguez
Symes—10

NAYS

Messrs.

Abbott
Allmand
Anderson
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Grenville-Carleton)
Baldwin
Beatty
Beaudoin
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caouette (Villeneuve)
Caron
Chrétien
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crombie
Crosbie (St. John's West)
Crosby (Halifax-East Hants)
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
Dawson
De Bané
de Cotret
Demers
Dick
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Duclos
Dupont
Dupras
Ellis
Elzinga
Epp
Ethier
Faulkner
Fleming
Forrestall
Foster
Francis
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Graffftey
Guilbault
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hare
Hargrave
Harquail
Hees
Herbert
Hnatyshyn
Holt (Mrs.)
Horner
Howie
Huntington
Jamieson
Janelle
Jarvis
Johnston (Westmount)
Joyal
Kaplan
Kempling
Lachance
Lalonde
Lambert (Edmonton West)
Lamontagne
Landers
Langlois
Laniel
Lapointe
La Salle
Lavoie
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Macquarrie
Maine
Malone
Marceau
Marchand
Martin
Masniuk
Mazankowski
McCain
McCrossan
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Muir
Murta
Neil
Nicholson (Miss)
O'Connell
Olivier
Ostiguy
Ouellet
Paproski
Parent
Parker
Patterson
Pearsall
Pelletier
Penner
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Ritchie
Roberts
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Siddon
Stanfield
Stevens
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Whiteway
Woolliams
Yanakis
Yewchuk
Young—181

Mr. Speaker: I therefore declare motions Nos. 10, 8 and 9 lost.

The next vote is upon motion No. 13 in the name of the hon. member for Humber-St. George's-St. Barbe (Mr. Faour).

The House divided on motion No. 13 (Mr. Faour) which was negatived on the following division:

(*Division No. 24*)

YEAS

Messrs.

Beaudoin
Benjamin
Blackburn
Caouette (Villeneuve)
Faour
Janelle
Knowles (Winnipeg North Centre)
Leggatt
Nystrom
Peters
Rae
Rodriguez
Symes—13

NAYS

Messrs.

Abbott
Allmand
Anderson
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Grenville-Carleton)
Baldwin
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)

Unemployment Insurance Act

Messrs.

Caron
Chrétien
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax-East Hants)
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
Dawson
De Bané
de Cotret
Demers
Dick
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupont
Dupras
Ellis
Elzinga
Epp
Ethier
Faulkner
Fleming
Forrestall
Foster
Francis
Friesen
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Grafftey
Guilbault
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hare
Hargrave
Harquail
Hees
Herbert
Hnatyshyn
Holt (Mrs.)
Horner
Howie
Huntington
Jamieson
Jarvis
Johnston
(Westmount)
Joyal
Kaplan
Kempling
Lachance
Lalonde
Lambert
(Edmonton West)
Lamontagne
Landers
Langlois
Laniel
Lapointe
La Salle
Lavoie
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Macquarrie
Maine
Malone
Marceau
Marchand
Martin
Masniuk
Mazankowski
McCain
McCrossan
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Muir
Murta
Neil
Nicholson (Miss)
O'Connell
Olivier
Ostiguy
Ouellet
Paproski
Parent
Parker
Patterson
Pearsall
Pelletier
Penner
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Ritchie
Roberts
Rompkey
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Savard
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Siddon
Stanfield
Stevens
Stewart
(Cochrane)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Whiteway
Woolliams
Yanakis
Yewchuk
Young—178

Mr. Speaker: I declare motion No. 13 lost.

● (2252)

The question is on motion No. 14 in the name of the hon. member for Vancouver Quadra (Mr. Clarke).

The House divided on motion No. 14 (Mr. Clarke) which was negatived on the following division:

(*Division No. 25*)

YEAS

Messrs.

Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Baldwin
Beatty
Brisco
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax-East Hants)
Crouse
Darling
de Cotret
Dick
Ellis
Elzinga
Epp
Forrestall
Friesen
Gillies
Grafftey
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hare
Hargrave
Hees
Hnatyshyn
Howie
Huntington
Jarvis
Kempling
Lambert
(Edmonton West)
La Salle
Lawrence
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the Islands)
MacKay
Macquarrie
Malone
Masniuk
Mazankowski
McCain
McCrossan
McGrath
McKinley
McKinnon
Muir
Murta
Neil
Paproski
Parker
Patterson
Pigott (Mrs.)
Ritchie
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Siddon
Stanfield
Stevens
Whiteway
Woolliams
Yewchuk—64

NAYS

Messrs.

Abbott
Allmand
Anderson
Andres
(Lincoln)
Appolloni (Mrs.)
Beaudoin
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte Saint-Paul)
Caouette
(Villeneuve)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
Dawson
De Bané
Demers
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupont
Dupras
Ethier
Faour
Faulkner
Fleming
Foster
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Guilbault
Harquail
Herbert
Holt (Mrs.)
Horner
Jamieson
Janelle
Johnston
(Westmount)
Joyal
Kaplan
Knowles
(Winnipeg North Centre)
Lachance
Lalonde
Lamontagne
Landers
Langlois
Laniel
Lapointe
Lavoie
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Leggatt
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
MacEachen
MacFarlane
MacGuigan
Maine
Marceau
Marchand
Martin
McIsaac
McRae
Milne
Nicholson (Miss)
Nystrom
O'Connell
Olivier
Ostiguy
Ouellet
Parent
Pearsall
Pelletier
Penner
Peters
Pinard
Portelance
Prud'homme
Rae
Railton
Roberts
Rodriguez
Rompkey
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Savard
Stewart
(Cochrane)
Stollery
Symes
Tessier
Trudeau
Trudel
Watson
Whelan
Yanakis
Young—127

● (2302)

Mr. Speaker: I declare motion No. 14 lost.

The next question is on motion No. 17.

The House divided on motion No. 17 (Mr. Nystrom) which was negatived on the following division:

(*Division No. 26*)

YEAS

Messrs.

Beaudoin
Benjamin
Blackburn
Caouette
(Villeneuve)
Faour
Janelle
Knowles
(Winnipeg
North Centre)
Leggatt
Nystrom
Peters
Rae
Rodriguez
Symes—13

NAYS

Messrs.

Abbott
Allmand
Anderson
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Baldwin
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax-East Hants)
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
Dawson
De Bané
de Cotret
Demers
Dick
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupont
Dupras
Ellis
Elzinga
Epp
Ethier
Faulkner
Fleming
Forrestall
Foster
Francis
Friesen
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Grafftey
Guilbault
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hare
Hargrave
Harquail
Hees
Herbert
Hnatyshyn
Holt (Mrs.)
Horner
Howie
Huntington
Jamieson
Jarvis
Johnston
(Westmount)
Joyal
Kaplan
Kempling
Lachance
Lalonde
Lambert
(Edmonton West)
Lamontagne
Landers
Langlois
Laniel
Lapointe
La Salle
Lavoie
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the
Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Macquarrie
Maine
Malone
Marceau
Marchand
Martin
Masniuk
Mazankowski
McCain
McCrossan
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Muir
Murta
Neil
Nicholson (Miss)
O'Connell
Olivier
Ostiguy
Ouellet
Paproski
Parent
Parker
Patterson
Pearsall
Pelletier
Penner
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Ritchie
Roberts
Rompkey
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Savard
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Siddon
Stanfield
Stevens
Stewart
(Cochrane)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Whiteway
Woolliams
Yanakis
Yewchuk
Young—177

Mr. Speaker: I therefore declare motion No. 17 lost.

The next question is on motion No. 19.

The House divided on motion No. 19 (Mr. Rae) which was negatived on the following division:

(*Division No. 27*)

YEAS

Messrs.

Beaudoin
Benjamin
Blackburn
Caouette
(Villeneuve)
Faour
Janelle
Knowles
(Winnipeg
North Centre)
Leggatt
Nystrom
Peters
Rae
Rodriguez
Symes—13

NAYS

Messrs.

Abbott
Allmand
Anderson
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Baldwin
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax-East Hants)
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
Dawson
De Bané
de Cotret
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupont
Dupras
Ellis
Elzinga
Epp
Ethier
Faulkner
Fleming
Forrestall
Foster
Francis
Friesen
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Grafftey
Guilbault
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hare
Hargrave
Harquail
Hees
Herbert
Hnatyshyn
Holt (Mrs.)
Horner
Howie
Huntington
Jamieson
Jarvis
Johnston
(Westmount)
Joyal
Kaplan
Kempling
Lachance
Lalonde
Lambert
(Edmonton West)
Lamontagne
Landers
Langlois
Laniel
Lapointe
La Salle
Lavoie
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the
Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Macquarrie
Maine
Malone
Marceau
Marchand
Martin
Masniuk
Mazankowski
McCain
McCrossan
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Muir
Murta
Neil
Nicholson (Miss)
O'Connell
Olivier
Ostiguy
Ouellet
Paproski
Parent
Parker
Patterson
Pearsall
Pelletier
Penner
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Ritchie
Roberts
Rompkey
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Savard

Messrs.

Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Siddon
Stanfield
Stevens
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Whiteway
Woolliams
Yanakis
Yewchuk
Young—176

● (2312)

Mr. Speaker: I declare motion No. 19 lost.

The next question is on motion No. 21.

The House divided on motion No. 21 (Mr. Blackburn) which was negatived on the following division:

(*Division No. 28*)

YEAS

Messrs.

Beaudoin
Benjamin
Blackburn
Caouette (Villeneuve)
Faour
Janelle
Knowles (Winnipeg North Centre)
Leggatt
Nystrom
Peters
Rae
Rodriguez
Symes—13

NAYS

Messrs.

Abbott
Allmand
Anderson
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Grenville-Carleton)
Baldwin
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crombie
Crosbie (St. John's West)
Crosby (Halifax-East Hants)
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
Dawson
De Bané
de Cotret
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Duclos
Dupont
Dupras
Ellis
Elzinga
Epp
Ethier
Faulkner
Fleming
Forrestall
Foster
Francis
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Grafftey
Guilbault
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hare
Hargrave
Harquail
Hees
Herbert
Hnatyshyn
Holt (Mrs.)
Horner
Howie
Huntington
Jamieson
Jarvis
Johnston (Westmount)
Joyal
Kaplan
Kempling
Lachance
Lalonde
Lambert (Edmonton West)
Lamontagne
Landers
Langlois
Laniel
Lapointe
La Salle
Lavoie
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay

[Mr. Speaker.]

Messrs.

Macquarrie
Maine
Malone
Marceau
Marchand
Martin
Masniuk
Mazankowski
McCain
McCrossan
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Muir
Murta
Neil
Nicholson (Miss)
O'Connell
Olivier
Ostiguy
Ouellet
Paproski
Parent
Parker
Patterson
Pearsall
Pelletier
Penner
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Ritchie
Roberts
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Siddon
Stanfield
Stevens
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Whiteway
Woolliams
Yanakis
Yewchuk
Young—177

Mr. Speaker: I declare motion No. 21 lost.

The next question is on motion No. 26.

The House divided on motion No. 26 (Mr. Orlikow) which was negatived on the following division:

(*Division No. 29*)

YEAS

Messrs.

Beaudoin
Benjamin
Blackburn
Caouette (Villeneuve)
Faour
Janelle
Knowles (Winnipeg North Centre)
Leggatt
Nystrom
Peters
Rae
Rodriguez
Symes—13

NAYS

Messrs.

Abbott
Allmand
Anderson
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Grenville-Carleton)
Baldwin
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crombie
Crosbie (St. John's West)
Crosby (Halifax-East Hants)
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
Dawson
De Bané
de Cotret
Demers
Dick
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Duclos
Dupont
Dupras
Ellis
Elzinga
Epp
Ethier
Faulkner
Fleming
Forrestall
Foster
Francis
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Grafftey
Guilbault
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hare
Hargrave
Harquail
Hees
Herbert
Hnatyshyn
Holt (Mrs.)
Horner
Howie
Huntington
Jamieson
Jarvis
Johnston (Westmount)
Joyal
Kaplan
Kempling
Lachance

Messrs.

Lalonde
Lambert (Edmonton West)
Lamontagne
Landers
Langlois
Laniel
Lapointe
La Salle
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Macquarrie
Maine
Malone
Marceau
Marchand
Martin
Masniuk
Mazankowski
McCain
McCrossan
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Muir
Murta
Neil
Nicholson (Miss)
O'Connell
Olivier
Ostiguy
Ouellet
Paproski
Parent
Parker
Patterson
Pearsall
Pelletier
Penner
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Ritchie
Roberts
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Siddon
Stanfield
Stevens
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Whiteway
Woolliams
Yanakis
Yewchuk
Young—176

● (2322)

Mr. Speaker: I therefore declare motion No. 26 lost.

The next question is on motion No. 29.

The House divided on motion No. 29 (Mr. Peters) which was negatived on the following division:

(*Division No. 30*)

YEAS

Messrs.

Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Beatty
Beaudoin
Benjamin
Blackburn
Brisco
Caouette (Villeneuve)
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Crombie
Crosbie (St. John's West)
Crosby (Halifax-East Hants)
Crouse
Darling
de Cotret
Dick
Ellis
Elzinga
Epp
Faour
Forrestall
Friesen
Gillies
Grafftey
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hare
Hargrave
Hees
Hnatyshyn
Howie
Huntington
Janelle
Jarvis
Kempling
Knowles (Winnipeg North Centre)
Lambert (Edmonton West)
La Salle
Lawrence
Leggatt
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
Macquarrie
Malone
Masniuk
Mazankowski
McCain
McCrossan
McGrath
McKinley
McKinnon
Muir
Murta
Neil
Nystrom
Paproski
Parker
Patterson
Peters
Pigott (Mrs.)
Rae
Ritchie
Rodriguez
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Siddon
Stanfield
Stevens
Symes
Whiteway
Woolliams
Yewchuk—77

NAYS

Messrs.

Abbott
Allmand
Anderson
Andres (Lincoln)
Appolloni (Mrs.)
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
Dawson
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Duclos
Dupont
Dupras
Ethier
Faulkner
Fleming
Foster
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Guilbault
Harquail
Herbert
Holt (Mrs.)
Horner
Jamieson
Johnston (Westmount)
Joyal
Kaplan
Lachance
Lalonde
Lamontagne
Landers
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacEachen
MacFarlane
MacGuigan
Maine
Marceau
Marchand
Martin
McIsaac
McRae
Milne
Nicholson (Miss)
O'Connell
Olivier
Ostiguy
Ouellet
Parent
Pearsall
Pelletier
Penner
Pinard
Portelance
Prud'homme
Railton
Roberts
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Savard
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Yanakis
Young—113

Mr. Speaker: I therefore declare motion No. 29 lost.

Hon. Bud Cullen (Minister of Employment and Immigration) moved that Bill C-14, to amend the Unemployment Insurance Act, 1971, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration, be concurred in.

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

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): On division.

Motion agreed to on division.

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

Some hon. Members: Now.

Some hon. Members: At the next sitting of the House.

Mr. Speaker: It being after ten o'clock, this House stands adjourned until tomorrow at 11 a.m.

At 11.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, December 22, 1978

The House met at 11 a.m.

• (1107)

ROUTINE PROCEEDINGS

[*English*]

FINANCE

ACCOUNTING METHOD FOR FAMILY ALLOWANCE AND CHILD TAX CREDIT PROGRAM—MOTION UNDER S.O. 43

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, pursuant to Standing Order 43, I rise on a matter of urgent and pressing necessity.

Considering that this administration has consistently refused to be specific about the serious long-range expenditure and revenue implications of the family allowance and refundable child tax credit program, and noting that the Department of Finance has criticized the very method the government used to implement the program, both calling the accounting of it "somewhat artificial" and suggesting that refundable tax credits should be presented as explicit expenditures, I move, seconded by the hon. member for Ottawa Centre (Mr. de Cotret):

That this House refer the method of accounting for the family allowance and refundable child tax credit program to the Auditor General, so that he may determine whether the revenue and expenditure implications of the program are being presented properly in the accounts, so that he may discover whether the government is aware of the long-range financial implications of the program.

Mr. Speaker: Such a motion can be introduced only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRADE

SALE OF SURPLUS GRAIN ON EXPORT MARKET—MOTION UNDER S.O. 43

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I rise to move a motion, under Standing Order 43, on a matter of urgent and pressing necessity.

Because a larger than normal crop usually produces a surplus above that the Canadian market can absorb and drives prices down, and in order to maintain farm prices at a level which will give our farmers a satisfactory return for the capital and labour they put into their year's operations, I move, seconded by the hon. member for Oxford (Mr. Halliday):

That this House direct the Minister of Industry, Trade and Commerce to, in future, sell such surpluses in the export market for the best price obtainable, thus removing the downward pressure from the Canadian market and enabling Canadian farmers to receive a fair return for their year's work.

Mr. Speaker: Is there unanimous consent for the presentation of such a motion for debate?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDUSTRY

GOVERNMENT ASSISTANCE TO IMPROVE DRYDOCK AT ST. JOHN'S, NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): In view of the fact that the drydock in Saint John, New Brunswick, has been pledged $10 million toward expansion to allow that dock to undergo ship repairs—and we welcome that news because it will provide badly needed jobs in Saint John—I move, seconded by my colleague, the hon. member for St. John's West (Mr. Crosbie):

That the Minister of Industry, Trade and Commerce act immediately on the application made nine months ago to provide the $8 million for the Government of Canada drydock in St. John's, Newfoundland, to instal a synchrolift, thus increasing employment by some 200 and giving the drydock the facilities to enter into major contracts already arranged for the repair of foreign fishing vessels as well as handling all work offered.

Mr. Speaker: Such a motion can be introduced for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ELECTORAL BOUNDARIES

MEASURE TO READJUST ELECTORAL DISTRICTS IN ONTARIO—MOTION UNDER S.O. 43

Mr. Ralph Stewart (Cochrane): Mr. Speaker, I seek unanimous consent, under Standing Order 43, in the spirit of Christmas, there having been discussion for some time among the parties.

S.O. 43

The motion is to reintroduce a bill to redress an anomaly in the redistribution of northern Ontario ridings. I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That Bill C-60 of the second session of this parliament, an act to readjust the representation of Ontario in the House of Commons and to readjust the electoral districts in Ontario, be reintroduced this day at introduction of bills and proceeded with at all stages and disposed of without further debate.

Mr. Speaker: The introduction of such a motion at this time for debate, pursuant to Standing Order 43, can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ECONOMIC DEVELOPMENT

DREE PROGRAM FOR MARITIMES—MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, in view of the meeting earlier this week of the Council of Maritime Premiers which decided unanimously to appeal directly to the Prime Minister over the unilateral withdrawal of support for the land information and registration service, with the subsequent loss of a new, high technology industry for the maritime provinces, I move, seconded by the hon. member for Halifax-East Hants (Mr. Crosby):

That the Prime Minister immediately make arrangements to meet with the three maritime premiers and ask for a joint review of the original announcement by the Department of Regional Economic Expansion and the minister of economic development.

Mr. Speaker: Such a motion can be introduced at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIR TRANSPORT

REQUESTED AMENDING OF AERONAUTICAL COMMUNICATIONS STANDARDS AND PROCEDURES ORDER—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity, pursuant to the provisions of Standing Order 43.

In view of the position taken by the Minister of Transport (Mr. Lang) regarding an important air navigation order known as the Aeronautical Communications Standards and Procedures Order regulating some aspects of the use of the French language in the air, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the Minister of Transport take the requisite steps to modify or remove provisions of this high-profile air navigation order affecting the options for the use of the French language, since he has ignored his responsibilities as minister for over two years in this matter, with the result that the whole system of air regulations is being undermined and the practical considerations for the use of the French language in the air, in light of present-day technical realities, has been set back by his failure to recognize the obvious need for change as thousands of violations have piled up.

[Mr. Stewart (Cochrane).]

Mr. Speaker: Such a motion can be introduced for debate only upon unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1112)

PENITENTIARIES

COMMITTEE STUDY OF REPORT—MOTION UNDER S.O. 43

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I rise, under the provisions of Standing Order 43, to seek unanimous consent to move a motion.

Having regard to the frustration and disappointment felt by all members of the Standing Committee on Justice and Legal Affairs as a result of their being prevented from taking part in the implementation of their subcommittee's report on penitentiaries, and in view of the fact that the report, made and accepted unanimously, recommended a continuing reference of the subject to the standing committee, I ask leave to move, seconded by the hon. member for Oxford (Mr. Halliday):

That the Solicitor General initiate proceedings to cause a reference to be made to the Standing Committee on Justice and Legal Affairs concerning the implementation of the report on penitentiaries.

Mr. Speaker: Hon. members have heard the motion. Before it can be presented for debate the unanimous consent of the House is required. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

URBAN AFFAIRS

COMMITTEE STUDY OF AHOP MORTGAGE DEFAULTS—MOTION UNDER S.O. 43

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the Minister of State for Urban Affairs has indicated that the default rate under the AHOP program is probably around 5 per cent, involving approximately 5,000 households, a figure which includes all AHOP purchasers, and since the candidates most likely to be in a default position are the initial purchasers in 1973 and 1974, the figure of 5,000 householders more accurately represents a default rate of 20 per cent, I would move, seconded by the hon. member for Selkirk (Mr. Whiteway):

That this House direct the Minister of State for Urban Affairs and his senior officials from CMHC to appear before a special meeting of the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: Under the terms of Standing Order 43, a motion such as has been proposed requires the unanimous consent of the House before it can be presented. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AGRICULTURE

REQUEST FOR ESTABLISHMENT OF POULTRY MARKETING AGENCY—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

In view of the fact that the Minister of Agriculture (Mr. Whelan) is still waiting to set up a poultry and broiler marketing agency in Canada which is unfair and not too encouraging for Quebec farmers, I move, seconded by the hon. member for Lotbinière (Mr. Janelle):

That the Minister of Agriculture and the government deal as soon as possible with the establishment of that marketing board and the national program for poultry and broiler producers in Canada.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, such motion can only be introduced for debate with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

FORECAST OF REAL GROWTH FOR 1979

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Last November, a little more than a year ago, the hon. gentleman predicted we were on the threshold of tremendous growth. We are still on that threshold.

Yesterday, his department issued a report, "Year-End Review and Outlook", in which it was stated that a sharp slow-down in the United States economy next year would hurt Canadian exports. We know there is going to be a sharp downturn in the U.S. economy next year: predictions are for an increase in gross national product of 2 per cent only. The report says exports have fuelled Canadian growth in the past two years but that we are, unfortunately, not going to be able to rely on a repeat performance in 1979.

An aide to the minister has suggested that the views of the department and of the minister do not necessarily coincide. My question is this: do the minister's views coincide with the views and opinions expressed in the report of his department? If they do not, will the hon. gentleman explain where they do not coincide, and would he tell us upon whose views the government is proceeding—his views, or the department's if there is a difference?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, it is not a question of the department's views versus my views. The department is making an estimate based upon what they think could happen next year if there is a slowdown in the American economy. I believe the American economy will not slowdown as much as some experts have suggested it will, and I certainly believe we will experience another good year in exports next year because it takes a while for the lower dollar to really take effect.

So I think the department is really being somewhat ultra-conservative in the economic predictions in their paper. I do not take that view: I look forward with a very buoyant attitude toward the future of the Canadian economy.

Some hon. Members: Hear, hear!

Mr. Crosbie: In other words, the hon. minister is saying he is very bullish. What the minister has said is that he does not agree with the estimates made by his department with respect to the growth, or lack of growth, in the U.S. economy for next year.

● (1117)

If that is the case, why is he permitting his department to put out a report that says our export performance is going to be down next year as compared to this year? If the minister believes that his department's forecasts are not accurate, and if he believes that the Americans have now got their economics right—that is what he was implying a few weeks ago when he said that they had not got them right—will he explain to us why he permits the department to put out assessments that he does not agree with?

Mr. Horner: Mr. Speaker, I did not say I did not agree with the assessment the department made, but I think it is customary for civil servants to tend to put their projections a little on the safe side. The hon. member refers to me as being bullish. That is fine. But I am not a civil servant; I am the leader of the Department of Industry, Trade and Commerce.

Some hon. Members: Oh, oh!

Mr. Horner: I think it would be natural for me to be slightly more optimistic than the ultra-conservative attitude which sometimes is found within civil servants. I do not disagree with them; I am just up ahead of them.

Some hon. Members: Oh, oh!

Mr. Crosbie: Mr. Speaker, I am glad to know they have a leader in the Department of Industry, Trade and Commerce, because we thought that the Minister of State (Small Business) was usurping that position. The press has said, "There is Tweedledum and Tweedledummer; sitting by Jack is really a bummer".

Some hon. Members: Oh, oh!

Mr. Crosbie: The minister's National Design Council has received a report on commercial innovation of secondary industry which states that Canadian firms will have great difficulty competing against imports, despite the decline in the dollar, because they do not have technical ability to match the imported products, and they say that much of Canadian manufacturing in newer products with the fastest growth rates are the areas where we have the heaviest imports.

In view of that, what steps has the minister taken to act on that report and to try to overcome these serious problems? If the minister is not going to overcome them, we will have to call on his deskmate to overcome these problems.

Mr. Horner: Mr. Speaker, I made a lengthy speech in the House the other night outlining clearly the financial responsibility which my department is taking to encourage rationalization in some industries and to encourage investment in some industries. I am pleased to be able to say that in manufacturing alone we have produced, November over November of last year, over 130,000 more jobs in Canada.

Some hon. Members: Hear, hear!

Mr. Horner: I am also pleased to say our imports of manufactured goods, if termed on a volume basis rather than on a dollar basis, are practically nil. There has been very little increase at all in the import of manufactured goods, if one rates it on a volume basis. If imports are rated on a dollar basis, because they are priced on the international market they are priced 15 per cent higher, or thereabouts, in relation to our dollar. So the dollar figures make it look like the import of manufactured goods has increased, but in fact that is not really the case.

If the hon. member can understand figures nearly as well as the hon. member for St. John's East, he should be able to comprehend what I am saying. However, I have very great difficulty believing that the hon. member can really understand figures, because he is a jokester around this House; he seems to understand poetry and humour, but nothing else.

[Mr. Horner.]

CURRENT ACCOUNT DEFICIT IN 1979

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, following on my colleague's questioning of the Minister of Industry, Trade and Commerce, I would like to direct a question to the Minister of Finance.

It is obvious that various members of the staff of the Department of Industry, Trade and Commerce now feel that our trade balance will worsen next year, which will mean that the current account deficit will be even worse in 1979 than it has been in 1978. In a review last month, McLeod, Young, Weir pointed out that in Canada's case, interest rate increases to stabilize currency simply reflects an unwillingness to come to grips with and deal with our four major current account problems.

Does the Minister of Finance intend to follow the policy of increasing interest rates domestically, with the hope that he will attract sufficient foreign funds to overcome the current account deficit, which seems to be increasing steadily, or will he agree that fiscal measures are needed, and not this monetary approach he is taking, to stabilize our dollar?

• (1122)

Hon. Jean Chrétien (Minister of Finance): If I understand the hon. member—and I hope he will put it in his program—we should not raise taxes, because he speaks about stabilization of the fiscal side of our policies. But that is not what his party speaks about when they go to the country trying to buy votes.

Some hon. Members: Oh, oh!

Mr. Chrétien: The hon. member has taken the study and tried to make a lot of it. I was expecting him to get up this morning and congratulate me because OECD, in its report yesterday, made exactly the same prediction as I did for next year. We will do much better than the United States.

Some hon. Members: Hear, hear!

Mr. Stevens: Mr. Speaker, I notice the Minister of Finance forgot to mention who supplied OECD with the figures.

Some hon. Members: Oh, oh!

Mr. Stevens: However, let me follow-up further on the question of the mounting current account deficit, which I notice the minister does not deny. Does he propose to continue to spend as much as $500 million a month—that is the amount that has gone out so far this month and that is the amount that went out last month—and does he intend to spend that amount in U.S. dollar reserves in defending the Canadian dollar which he claims is floating?

Mr. Chrétien: First, Mr. Speaker, the current account for the first three-quarters of this year was $200 million less than last year. So when the hon. member speaks about the fact that it is ever-increasing, he should read the latest statistics.

Perhaps the hon. member would like to repeat the second part of his question; then I will be able to reply to it.

An hon. Member: You need a holiday.

Mr. Stevens: I would point out to the Minister of Finance that Canada has run a current account deficit of $3.8 billion to $4.8 billion since 1975, as compared to the current account which was basically in balance between 1971 and 1973.

My question which the minister forgot was this: in view of the chronic current account deficit which is putting our dollar under pressure, does the minister intend to maintain his program of spending as much as $500 million a month on U.S. dollar reserve losses, rather than to correct the basic problem that is causing the current account deficit?

Mr. Chrétien: I should like to hear the hon. member repeat that his answer to the problem is to raise taxes, and I hope he will say that during the campaign. If I were to add up all the promises made by his leader while campaigning around the country, I would have to come to the conclusion that we would have to reduce taxes by a further $5 billion. I want to say that in terms of the floating currency we have to spend some of the reserves. But this is not spending money, as the hon. member would like to think. When we have to use some reserves, we gain Canadian dollars and the cost to the government is the difference between the price we pay for the borrowed money abroad and the price we get for that money which we lend back.

The floating dollar policy is one that has been followed for a long time. We were the first to start it in the early 1970s and we have maintained that policy. At this moment, the value of the Canadian dollar is very good for our business performance. We will have a record year in trade this year, amounting o close to $4 billion, and we will still have a large surplus next year. So we are not in a bad trade position; in fact, we are in a very good position because of the dollar.

Some hon. Members: Hear, hear!

Mr. Clark: You will have to live with those words.

Mr. Chrétien: Get up and speak now.

An hon. Member: Ten o'clock.

Mr. Rae: It is only 11.30 in the morning.

* * *

COMBINES

OFFER BY DOMTAR TO ACQUIRE MacMILLAN BLOEDEL

Mr. Bob Rae (Broadview): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. It was announced yesterday that Domtar Incorporated has made an offer of some $587 million for all outstanding shares of MacMillan Bloedel Limited of Vancouver.

In view of the dramatic increase in profits in the pulp and paper industry and increased merger activity in that industry, of which this is only the most recent example, can the minister tell us how he feels the interests of Canadian workers and consumers are being protected by this kind of merger and acquisition activity?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, the proposed merger is presently under review by the director of investigations under the Combines Investigation Act.

Mr. Rae: As the minister may be aware, between January 1 and September 30 of this year the competition policy branch of his department revealed that there were 336 proposals for mergers, of which 199 were from foreign companies and 137 from Canadian firms. These range all the way from the energy business to real estate and from the liquor trade to the pulp and paper industry.

• (1127)

What guarantees can the minister give that this kind of concentration activity, with its skyrocketing prices and profits, will result in new jobs and investment in Canada and also reasonable prices for consumers?

Mr. Allmand: Mr. Speaker, I cannot comment further on the investigation carried on by the director, because that is contrary to the general policy: it is not considered a proper thing to do while an investigation is under way.

Respecting the second part of the hon. member's question, the result of mergers in general on the economy is a difficult question to answer during the oral question period. It requires a much more detailed response.

Mr. Rae: Mr. Speaker, I was going to say that the minister was a paper tiger: perhaps I should say that he is a pulp and paper tiger in this case.

Some hon. Members: Oh, oh!

Mr. Rae: The minister's question simply reveals that free competition among industrial giants leads to a concentration where one company is devouring another. Can the minister not see a distinction between investment which creates jobs and lower prices, and merger and acquisition activity which simply leads to guaranteed markets and guaranteed high prices?

Some hon. Members: Order.

Mr. Speaker: Order, please. It seems to me that hon. member is entering into a very general debate.

[*Translation*]

AGRICULTURE

REQUEST FOR ESTABLISHMENT OF POULTRY MARKETING AGENCY

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put my question to the Minister of Agriculture. Could he tell the House whether he intends to establish a national poultry marketing board in Canada and, if so, when?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Yes, Mr. Speaker, and very soon.

[*Translation*]

SUBSIDY PAYMENT TO INDUSTRIAL MILK PRODUCERS—MINISTER'S POSITION

Mr. Léonel Beaudoin (Richmond): In that case, I am very optimistic, considering the minister's answer. I am going to go to another subject. Can the minister say whether he is considering giving industrial milk producers the 52 cents they are asking for, and if not, why not?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, yes.

* * *

HEALTH AND WELFARE

HEALTH CARE OF NATIVE PEOPLES

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the right hon. Prime Minister. Can the Prime Minister say whether he has received a communication from representatives of the Indian people in the prairie provinces asking him to remove or replace the Minister of National Health and Welfare because of her unsatisfactory handling of the Indian health services? If he has considered this good advice, when can we expect him to take some action on it?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I received such a communication but I do not agree with the hon. member that it is good advice.

MINISTER'S MEETING WITH MARITIME INDIAN CHIEFS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I am sorry the Minister of National Health and Welfare is not in the House, so I will direct my supplementary question to the right hon. Prime Minister.

In view of the fact he apparently wants to keep the minister on the job, will he ask her to live up to the commitments she made in the House last Monday and Friday that she would meet with the maritime chiefs in the maritimes?

An hon. Member: Here she comes.

[Mr. Speaker.]

Mr. Yewchuk: Today, she sent a telex suggesting that she wants them to come back to Ottawa to meet with her. In view of the charges made by the president of the Alberta Indian Association, that the new health policy she enunciated for Indians will result in unnecessary deaths among Indian people, will the minister give a commitment to review this policy to prevent these unnecessary deaths?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Prime Minister—

Some hon. Members: Oh, oh!

Miss Bégin: Mr. Speaker, I am sorry. If I appear to be emotional about that question, it is because I am deeply shocked—and I mean every word I am using this morning—at the accusation of the hon. member that the guidelines regarding eyeglasses, dental expenditures and transportation costs will cause the death of anybody in the country. I do not accept that.

Some hon. Members: Hear, hear!

Miss Bégin: I should like the hon. member to withdraw what he said, because it is an accusation unacceptable to any Canadian.

• (1132)

An hon. Member: That's nonsense.

Some hon. Members: Hear, hear!

An hon. Member: What a cry baby.

Miss Bégin: I find that shocking and absolutely unacceptable. We are faced with a problem which I think is taking on proportions that are dangerous for those who care about the health of Indians, starting with the Indians themselves living on reserves. They do not know what goes on in this city in a political way, at times at an irresponsible level.

I have received representations from some chiefs. I did not hear from the National Indian Brotherhood with whom I met a few weeks ago, including representatives from every province and territory. I have since received, quite suddenly, representations from chiefs of four groups of provincial federations. I addressed the problem immediately and told the people who suddenly wanted to come to Ottawa, after I had already agreed to meet other groups' representatives in my department, for whom I work, that I would not see them immediately because that was impossible, but I would very soon and I asked if our technical people could meet with them right away.

The CBC had a program which was—

Some hon. Members: Order.

Mr. Yewchuk: Mr. Speaker, it is obvious why the minister has imposed this policy, because one of the things she has cut out is ambulance rides to take sick people to hospital. If she does not think that is a threat to their lives, then she is a lost cause in this regard.

I would like her to explain why she sent a telex to the maritime chiefs this morning telling them she will not meet with them there, but wants them to come to Ottawa, when only this last Monday and last Friday she said she would go to the maritimes to meet with them to discuss this very serious problem.

Miss Bégin: Because in between, Mr. Speaker, the CBC made a statement that is completely incorrect and incompetent and I have asked for a retraction, and I am speaking English to make sure it is understood directly by all those who are representing English-speaking Indians in this country.

This subject is a most important one. The health of Indians and the health of anybody is sacrosanct. I will never accept that a member has the guts to stand up, without checking any facts, and accuse anybody of causing death. There is no fooling around on that question, and I will not accept it.

An hon. Member: Ten o'clock.

Some hon. Members: Hear, hear!

* * *

POST OFFICE

PUBLIC UTILITIES COMMISSION USING PRIVATE POSTAL CARRIER

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I wish to direct my question to the Postmaster General. Is he aware that the Scarborough Public Utilities Commission is using a private postal carrier to deliver its bills, at a cost of eight cents a bill instead of the 14 cents, soon to rise to 17 cents, charged by his department?

Has A. J. L. Whitton, marketing director for the Post Office in Ontario, advised the commission that it may be in contravention of the Post Office Act which gives the Postmaster General the sole and exclusive privilege of delivering and collecting letters in Canada? If this is so, is this government policy? Furthermore, can the Postmaster General explain how a private carrier can deliver and make a profit at eight cents a letter when the post office is losing millions of dollars at what will soon be twice the rate, namely, 17 cents?

Hon. J. Gilles Lamontagne (Postmaster General): First of all, Mr. Speaker, I should tell the hon. member that I am well aware of the incident. However, I have not yet had a full report on the incident in order to see who is right or wrong. I have asked for legal advice on this and I will take the proper steps depending upon the result of that legal advice. However, nothing has been proven, either—that a private carrier can deliver for six cents, seven cents or eight cents and make a profit. He might do that just for annoyance or in an attempt to do business with this commission.

I think it will be very interesting to see the legal advice we receive, because depending on whether we can apply the law or not we may want to ask for an amendment to the bill implementing the Crown corporation in order to make sure this is well clarified.

I am surprised that a public commission or municipality is not ready to abide by the Post Office Act, if they are aware of it—and I am sure they are. As an ex-mayor of Quebec, I can say that I abided by the law of governments and by any law as it was submitted to me. I am surprised that a municipality does not want to abide by the law within the terms of the Post Office Act.

EMPLOYEES NOT RECEIVING FULL PAY IN CERTAIN AREAS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, perhaps I could direct another question to the Postmaster General. Reports indicate that there has been a great mix-up in Calgary and in some other offices in respect of pay cheques, resulting from deductions due to the recent strike. Many employees wll not be receiving their full pay before Christmas.

Can the Postmaster General inform the House what the problems are and what action he is taking to remedy this situation, so that everyone can go home with a full pay cheque and have a happy Christmas?

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, I would ask the hon. member not to believe everything he hears from people who call him—probably the same people who call me. Mr. Hall, president of CUPW in Calgary, probably has called the hon. member in the same way he called my office.

The truth is that they are being paid. The cheques are in the right amounts, but the coding on the cheques is wrong. That does not prevent them from cashing their cheques. I should like to mention to the hon. member, as well, that at the moment I do not think there is any justification for hon. members to ask questions which create confusion in the Post Office. We have had the best Christmas season yet. Morale is good, and we have delivered mail better than ever before during a Christmas season, particularly in the last seven years.

Some hon. Members: Hear, hear!

* * *

IMMIGRATION

SUGGESTED INCREASE IN NUMBER OF SOUTHEAST ASIAN REFUGEES ADMITTED TO CANADA

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I should like to direct a question to the Minister of Employment and Immigration: it is a follow-up to the motion under Standing Order 43 which I proposed two days ago and which, unfortunately, did not receive unanimous consent.

Could the minister advise the House whether the government has taken into consideration the consequences of the motion I moved, which would allow into Canada, one of the most fortunate countries in the world, an appropriately higher number of refugees known as boat people?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, somewhat prior to, during and after the hon. member's motion under Standing Order 43 the government was looking into this matter. We have had representations at the Geneva conference and I am pleased to say that in co-operation with my colleague, the Secretary of State for External Affairs, we will triple the number from 70 families per month to just about 200 families per month. For 1979 we will take 5,000 refugees from Indo-China.

In addition to that, we will double the amount of our contribution to the budget of the United Nations High Commission for Refugees from $1 million to $2 million. That, of course, will be in addition to the moneys we are already contributing to many refugee camps around the world.

* * *

HEALTH AND WELFARE

HEALTH CARE OF NATIVE PEOPLES

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I can appreciate the shouting from the Liberal side: they have to shout since closure has been introduced to stop them from speaking on a bill they oppose.

Some hon. Members: Hear, hear!

Mr. Clark: My question is directed to the Minister of National Health and Welfare.

Some hon. Members: Oh, oh!

Mr. Clark: I can wait, sir, until they stop their shouting and their moaning.

Some hon. Members: Oh, oh!

Mr. Clark: My question to the Minister of National Health and Welfare is supplementary to those posed by my colleague, the hon. member for Athabasca, which the minister did not answer, preferring instead to put up a fog of emotion.

Some hon. Members: Oh, oh!

Miss Bégin: What kind of emotion?

Mr. Clark: A fog of emotion. The minister is having difficulty hearing me because of her colleagues' shouting.

Mr. Speaker: Order, please.

● (1142)

Mr. Clark: I am trying to create a situation for the minister where her colleagues will let her hear me.

My question is: why did the minister break her word today to the maritime chiefs, that she would meet them in the maritimes, by sending them a telex changing the venue of the meeting to Ottawa?

[Mr. Dionne (Northumberland-Miramichi).]

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, the Leader of the Opposition in trying to develop his credibility by talking only about what he thinks is serious—cuts, constraints, restraints and economic problems. He is not interested in the social sector at all.

He becomes nervous when I use emotion when talking about undue accusations with regard to the lives of people in this country. I will continue to use emotion, and if the hon. gentleman does not know what to do with his emotions, he is not ready to be the leader of a country.

Some hon. Members: Hear, hear!

Mr. Speaker: Order.

Miss Bégin: Mr. Speaker, the politicking which is taking place this morning does not help to solve a very serious issue, which is the apparent misunderstanding in Indian communities of the guidelines that are merely intended for my staff to make sense of and control expenditures relating to four items regarding uninsured health expenditures. I name them often, and everybody knows they have nothing to do with the lives of people.

I would like to inform the House that I never committed myself to go to the maritime provinces on a specific date but, rather, that I would try to go there because it is less expensive than to have huge delegations come to Ottawa. Since that day, new developments have taken place. I mentioned the CBC report but the Leader of the Opposition, of course, was not listening. I mentioned an interview which took place in front of millions of Canadians and gave dangerously wrong facts. Therefore, the situation has changed.

I cannot go to the ten provinces on the same day in the month of January. Therefore, I had to ask for the co-operation of the chiefs and I invited them to meet me in Ottawa immediately after the opening of parliament, on January 24. I hope that I will have the co-operation of the Leader of the Opposition on this matter and that he will ask the opposition critic, the hon. member for Athabasca, to stop this unacceptable form of politicking.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, it escapes the understanding of most of us why a broadcast on the CBC makes it impossible for the minister to move about in the country, but I suppose if she feels incapable of defending her policy the CBC is as good an organization to blame it on as any other organization.

Some hon. Members: Oh, oh!

Mr. Clark: The firm commitment which the minister gave to the native people of the maritime provinces is on the record of *Hansard* and she will have to live with it.

My question relates to a statement made in May by the president of the Indian Association of Alberta whose claim is, as president of an organization directly responsible for people whose lives he feels will be in danger, that actions being

proposed by this government, in regard particularly to ambulance services, will jeopardize the lives of native people in western Canada. My question to the minister is a repetition of one she refused to answer earlier.

An hon. Member: Hear, hear!

Mr. Clark: I see her refusal is being supported by the NDP.

An hon. Member: Put the question.

Mr. Benjamin: You are sounding like a green backbencher. Ask the question.

Mr. Clark: Will the minister consider with an open mind the argument put by the president of the Indian Association of Alberta, to the effect that the changes introduced will, or may, endanger the lives of native people in western Canada; and if she so finds, after an open examination of that allegation, will she change the policy?

Miss Bégin: Mr. Speaker, at least the NDP are capable of showing emotion. The questioning by the Leader of the Opposition is becoming more and more ridiculous every minute. I am surprised that he does not have the courage to withdraw the type of stupid allegations which are being made on a very important issue dealing with the lives of people. I would like to repeat that the hon. gentleman does not seem to understand that this is not a matter for politicking.

Mr. MacDonald (Egmont): Time for a new minister.

Miss Bégin: I am convinced that we need guidelines regarding the control of reasonable expenditures for all Indian people in need of health services, but eyeglasses have nothing to do with the lives of people.

I would like to repeat that the hon. gentleman does not seem to understand that the usual health services will continue exactly as they have in the past. The Leader of the Opposition and the hon. member for Athabasca seem to have forgotten that I have said the last paragraph of my telex was probably the most important: that is obvious, because I asked the chiefs to send to me, immediately, information on any cases of hardship which they have witnessed across the country because I would like to look into such matters personally.

Nine days ago, when I met briefly with the maritime delegation, they spoke to me of abuse and the death of some people. Immediately I asked for a dossier on the situation, and I have not received one single name. I have had an assistant deputy minister travel across the country to obtain the names of people and to look for hardships caused by my department, guidelines or no guidelines, and he has received no information. That is what I would like to look into right away.

Some hon. Members: Hear, hear!

VETERANS AFFAIRS

LEGISLATION TO IMPROVE PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is to the Minister of Veterans Affairs.

In view of the fact that thus far in this session there has been no legislation respecting veterans, will the minister do his best between now and the time we meet again to persuade his colleagues in the cabinet to permit him to bring in legislation respecting the pensions of widows of disabled pensioners, and also respecting the tying of the rate of the 100 per cent disability pension to the composite level designated in the Pension Act? Would the minister also be ready to report to us in January on the review of the War Veterans Allowance Act?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the references which were made by the hon. member are under consideration in my department and we will have something to say about them at a later date.

With regard to the review of the War Veterans Allowance Act, it is coming along quite well and I hope to have something presented to me some time in February.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my supplementary question to the minister deals with war veterans allowance recipients.

Would the minister tell the House whether he now has clearance from Treasury Board that such recipients who also receive either the increased GIS due in January or increases in their child benefits will not have these increases cut off their war veterans allowance?

Mr. MacDonald (Cardigan): Mr. Speaker, I am able to be quite positive on that matter this morning. The recipients of the war veterans allowance who receive the GIS increase and the children's benefits will also receive the benefits previously passed under the national health and welfare act and they will apply to the recipients of the veterans allowance and the civilian war allowance.

* * *

POST OFFICE

POSTAL SERVICE IN FORT HOPE, ONT.

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I have a question for the Postmaster General. Is the minister aware of the extremely serious deterioration in postal service in the Indian Community of Fort Hope in northern Ontario? This deterioration has been brought about because of an alleged misappropriation of funds by a postal employee whom the Post Office apparently neglected to bond in the usual way?

Will the minister explain to the House why the entire community is being punished for an alleged wrongdoing by a postal employee? What action is being taken to restore postal service to the Indian community of Fort Hope?

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, I can assure the hon. gentleman that there has been no abandonment of postal service in that community. There has been no punishment of this community.

● (1152)

As the hon. member knows, we have had some problems before with the Fort Hope post office and this time there was misappropriation of funds and we had to discontinue the operations of the post office. However, we did not discontinue the delivery of the mail. It has been flown there as usual. My people are supposed to meet with the band council of the Indians at Fort Hope to try to see if they could take care of the security of the mail and take on the operation of the post office themselves. So there is no abandonment of the mail. Deliveries are being made normally, and within the next ten days someone will be there to see what we can do in conjunction with the band council of Indians of this community.

* * *

INDUSTRY

INCREASES IN PRICE OF ALUMINUM—MAINTENANCE OF ADEQUATE SUPPLY

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce: it has to do with the domestically charged, Canadian-produced aluminum.

In light of the fact that some Canadian businesses involved in secondary manufacturing industry have had price increases of upwards of 26 per cent in the past year and yet cannot secure guarantees of continued adequate supply, will the minister investigate the situation to ensure that Canadian companies are not being treated unfairly and that jobs will not be lost to Canadians?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not aware of the difficulties in securing aluminum for Canadian companies, nor am I aware of the price increase. I will take the hon. member's question as notice and try to reply to him before the House reconvenes in the new year.

Mr. Scott (Victoria-Haliburton): Mr. Speaker, I have a supplementary question. During recent weeks the demand for aluminum has increased dramatically due to a shortage on the American market.

Would the minister look into this possibility of price fixing and collusion among the major producers in this country, to guarantee that favouritism is not being shown to those manufacturing companies in which the primary producer has a vested interest?

Mr. Horner: Mr. Speaker, I doubt whether the accusation in the question was accurate. I can say to the House and to you, Mr. Speaker, that Alcan has just announced a major expansion in their capacity for putting out aluminum and that might have some good effects on Canadian procurements. However, I will look into the whole matter and give the hon. member a reply.

* * *

TRANSPORT

MEETING WITH PRAIRIE PROVINCES TO DISCUSS RAIL TRANSPORTATION

Mr. Arnold Malone (Battle River): Mr. Speaker, I wonder if I might have the attention of the Minister of Agriculture and the Acting Minister of Transport? I direct my first question to the Acting Minister of Transport, who will be aware of intense and grave concern on the prairies with respect to rail transportation.

At the time of the first ministers' conference a request was made by Premier Sterling Lyons to meet on January 5 and 6 with all transport representatives of the three prairie provinces. I ask the Acting Minister of Transport whether he is accepting that invitation; will he be meeting with them on those dates?

[*Translation*]

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the minister has not yet given a formal answer to that invitation, and he is very seriously considering doing so as soon as possible.

* * *

[*English*]

AGRICULTURE

CARRIAGE OF PRAIRIES' AGRICULTURAL PRODUCE

Mr. Arnold Malone (Battle River): Mr. Speaker, in light of the very grave and important situation of prairie rail transportation, could I ask the Minister of Agriculture whether he has accepted the invitation? Does he intend to be at that meeting with the prairie transport ministers with relation to the concerns that were expressed to him at the time of the first ministers' conference?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member knows the dates were just sent to us and, in addition, that this date was the date the meeting was to be called. We immediately responded and said that we had other commitments at that time. We suggested that any time after January 12 I believe, we would be ready and willing to meet, because I had a long-standing commitment.

We had cancelled the government trip to Israel in November, I believe it was, and that was the third time that trip had been cancelled. We had rearranged that I would leave on New Year's Day for Israel and return here on January 12. That trip is in conflict with the meeting, and I talked to the minister of agriculture in Manitoba about that. He told me at that time he did not see any difficulty in changing the date. I have not heard back from him yet. I believe we sent a telex to him

about four days ago in that regard. We realize the importance of the meeting, but I am sure that the Premier of Manitoba also realizes the importance of the exchange of agriculture, trade, etc., in Canada and, as well, the agricultural exchange of research which is a long-standing commitment that we have with that country.

* * *

POST OFFICE

MAIL DELIVERY TO NEW TOWNS IN OTTAWA AREA

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Postmaster General, about which I gave him notice, with respect to postal service in my constituency.

I would appreciate being advised what plans the Post Office may have with respect to postal addresses within the new cities of Nepean and Kanata, because there has been a considerable amount of confusion. Also, could he advise what proposals there are for informing the residents of the new cities about changes of address and the time when these changes should be made?

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, I wish to thank the hon. member for Grenville-Carleton for giving me notice of this question: it is in the right Christmas and New Year spirit.

I would like to make the answer as clear as possible. With the establishment of municipal authorities such as those in the cities of Kanata and Nepean, the main factor for postal operations is notification of our facilities across the country as to where these new addresses are located. We are in a process of doing that.

Secondly, our delivery system will remain basically unchanged. Since the postal code does not change, there does not seem to be any problem in that area. As for uncoded mail, it may take a little while before people across the country are completely familiar with the names of the new cities. However, we do not anticipate any major difficulty, and much information will be given about that.

Rural routes should not change at the moment and they will still come from the same post office station. Residents may address their mail as they wish, for example, "Nepean", "Kanata" or "Ottawa". We will deliver it. We have been in consultation with municipal authorities regarding their new boundaries and we are expecting to notify residents of this. I can reassure the hon. gentleman that we will carry on the usual efficient and rapid delivery of mail in this area.

OFFICIAL LANGUAGES

ALLEGED IMPROPER DESIGNATION OF "BILINGUAL"

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the President of the Treasury Board. In view of the statement made by the Commissioner of Official Languages that there are many bilingual phonies in the civil service, does the minister intend to ask Mr. Yalden to identify these people so they may defend themselves from the charge that they are not what they are supposed to be?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, I assume that in his comment the point that Mr. Yalden was making was there are many people who have not yet achieved the level of bilingual capacity that they like to achieve. I really do not accept the word "phony", though.

* * *

[*Translation*]

URBAN AFFAIRS

STE. SCHOLASTIQUE, QUEBEC—COMPENSATION FOR PERSONS AFFECTED BY EXPROPRIATION

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the Minister of Public Works.

Last November 6 we had here in Ottawa a demonstration by more than 600 residents of Ste-Scholastique during which the predecessor of the present minister promised an answer to their claims within two weeks. I think the minister is aware of their claims. Two weeks later the minister reported his decision to a later date, namely before the end of the year. Considering that we are at the very end of the year, is the minister today in a position to give us answers to the claims of those thousands of people who were expropriated?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, in answer to the hon. member's question, I would like to to say that the expropriated had, thanks to the hon. member for Argenteuil-Deux-Montagnes, a series of meetings with officials of my department to examine what new compensations could be given to them, which would meet their hopes, and which could put them on the same level as those who were expropriated in Pickering.

Mr. La Salle: Mr. Speaker, on a supplementary.

As the minister is aware, I believe, of the representations already made by hon. members on both sides of the House asking that the expropriated be given at least a glimmer of hope at the end of the year, can the minister assure us that by the end of January, 1979, at the very latest those regulations will finally be accepted by the department as well as the expropriated? In addition, after all this time, will an effort be made to give those people a definite answer?

Mr. Ouellet: Mr. Speaker, a meeting was held a few days ago. I asked my officials for a report which I am to receive in early January. There are a few technical points I want to check. Moreover, I am waiting for additional representations from the expropriated which are to be sent to me through their MP; as soon as the hon. member for Argenteuil-Deux-Montagnes has handed them over I hope to be able to reach a decision in the first few weeks of January. In any event, I am sure the expropriated can spend a very happy Christmas.

* * *

● (1202)

[*English*]

PRIVILEGE

MR. PARKER—REPLY OF MINISTER DURING QUESTION PERIOD—RULING BY MR. SPEAKER

Mr. Speaker: On December 18 the hon. member for Eglinton (Mr. Parker) raised by way of a question of privilege that the Minister of National Revenue (Mr. Abbott) had used language which offended him, and he asked for a determination as to whether the language was unparliamentary. I indicated at the time that my recollection of the language was that it was not.

I examined the record, as I indicated I would; and I also examined two precedents which may be of assistance to the hon. member, one under date of July 19, 1960, at page 6553 of *Hansard* and the other on November 16, 1977, at page 941 of *Hansard*. In light of both of those precedents it seems to me that the language lacks specificity. Therefore, there would be no grounds upon which I could intervene.

ROUTINE PROCEEDINGS

[*Translation*]

COASTAL FISHERIES PROTECTION ACT

AMENDMENT RESPECTING REVISION OF PENALTIES

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment) moved for leave to introduce Bill C-36, to amend the Coastal Fisheries Protection Act.

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

[Mr. La Salle.]

[*English*]

SMALL BUSINESS RECOGNITION ACT

MEASURE TO PROVIDE EQUAL TREATMENT WITH COMPETITORS

Mr. Frank Maine (Wellington) moved for leave to introduce Bill C-456, to promote the participation of small business in federal government programs and contracts.

Some hon. Members: Explain.

Mr. Maine: Mr. Speaker, the purpose of this bill is to give small businesses in Canada the same special favourable and preferential treatment that is given to their competitors, United States small businesses, by the United States government, especially in the area of government procurement and research and development support.

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

Mr. Speaker: Introduction of Bills. Mr. Chrétien?

Mr. Chrétien: On a point of order, Mr. Speaker, I would rather not introduce the bill today.

* * *

[*Translation*]

FUGITIVE OFFENDERS ACT

MEASURE RESPECTING APPREHENSION OF FUGITIVE OFFENDERS

Hon. Allan J. MacEachen (for the Minister of Justice) moved that Bill S-9 (from the Senate), respecting fugitive offenders in Canada, be read the first time.

Motion agreed to and bill read the first time.

* * *

[*English*]

BUSINESS OF THE HOUSE

CHRISTMAS RECESS

On the order: Motions:

December 18, 1978—*The Deputy Prime Minister and President of the Privy Council:*

That, when the House adjourns following the disposal of the third reading stage of Bill C-14, an act to amend the Unemployment Insurance Act, 1971, it shall stand adjourned until a time to be fixed by Mr. Speaker, after consultation with the government, when the House may meet for the purpose of dealing with any subsequent proceeding on the said bill or the giving of royal assent to the said bill and any other bills then ready for royal assent;

That after the disposal of such proceedings or in the event the House does not meet for those purposes, the House shall be adjourned or stand adjourned, as the case may be, until January 23, 1979, provided that at any time prior to that date if it appears to the satisfaction of Mr. Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or Deputy Chairman of Committees shall act in his stead for the purpose of reconvening the House.

Mr. MacEachen: Mr. Speaker, I rise on a point of order on the motion providing for the adjournment of the House. It is not my intention to call the adjournment motion at this stage because it may be more expeditious to postpone dealing with it until after the vote on the third reading of the unemployment insurance bill. I propose not to call this motion at the present time but following the vote on the third reading of the bill we are dealing with today, when I will ask for consent of the House to go back to motions and have the adjournment motion dealt with. What I am really asking now is consent to do that at that particular time and, if possible, to have an order of the House made providing for the ability to revert to motions at that point to deal with the adjournment motion.

Mr. Baker (Grenville-Carleton): There have been discussions carried on through the usual channels, and the government House leader's proposal is agreeable to us, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, there have been discussions and we agree.

Mr. Beaudoin: That is agreed, Mr. Speaker.

Mr. Speaker: It is agreed and so ordered that, after the taking of the vote upon the third reading of Bill C-14, the House will revert to motions for consideration at that time of the adjournment motion standing in the name of the Deputy Prime Minister and President of Privy Council (Mr. MacEachen).

* * *

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 270.

[*Text*]

CONSUMER AND CORPORATE AFFAIRS—LAWYERS IN PROVENCHER

Question No. 270—**Mr. Epp:**

From June 1, 1974 to date, what lawyers in the Constituency of Provencher were given work by the Department of Consumer and Corporate Affairs and what amount was each paid per year?

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of Justice): In so far as the legal agents of the Minister of Justice are concerned: None.

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 136 could be made an order for return, this return would be tabled immediately.

[*Text*]

ETHNIC NEWSPAPER

Question No. 136—**Mr. Mitges:**

1. How does the Department of Employment and Immigration define "ethnic newspaper"?

2. In which ethnic newspapers did the Department advertise (a) in the fiscal year ending March 31, 1977 (b) since March 31, 1977 and, in each case, what was the total amount of advertisement placed?

3. What criteria does the Department use to determine which ethnic newspapers will receive government advertising?

Return tabled.

[*English*]

Mr. Paproski: Mr. Speaker, I want to wish the parliamentary secretary a Merry Christmas. He has done a pretty good job today.

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

Hon. Bud Cullen (Minister of Employment and Immigration) moved that Bill C-14, to amend the Unemployment Insurance Act, 1971, be read the third time and do pass.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. There have been discussions about another matter as well. I think you will find there is agreement to provide that a 20 minute rule apply to all speeches today on third reading. This agreement has come about because, after all, there is a limited amount of time. If we had 40 minute speeches or speeches of unlimited time, not many members would be able to speak. I believe such agreement has been discussed among all four parties.

Mr. Baker (Grenville-Carleton): That is correct, Mr. Speaker.

Mr. Beaudoin: That is agreed, Mr. Speaker.

Mr. Speaker: It is agreed and so ordered that speeches about to be made on the third reading of Bill C-14 shall not be more than 20 minutes in duration.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, probably few bills have been more controversial than the one which we are presently discussing. It touches the heart strings of the members of this House who have consideration for their fellow man while at the same time having respect for the capability of our society to do all those things we might want to do.

It is because of the restrictions which have been placed upon the capability of government to fulfil its promises of 1971 that it has found itself in a very penurious position and has been compelled therefore to bring in amendments which would offer another opportunity to practise constraint.

This is laudable, I agree; the purpose is long since past due. However, it is the method of application of the objective which is objectionable. It has been introduced in a fashion and in an environment which is unacceptable. The Prime Minister (Mr. Trudeau) has set himself up as the great unifier of this country. He has suggested that the federal and provincial governments should form a co-operative confederation type of structure. Yet this bill has been brought in without consultation with the provinces regarding the impact it might have on provincial treasuries. It is evident, therefore, that the Prime Minister and the government are devoid of sincerity in their advocacy of a federal-provincial co-operation structure. Their actions denounce and contradict their own ideology.

● (1212)

There is a multitude of hidden factors which I believe we should consider at this time. First of all, objection was raised to this bill by many supporters of the government both on the front benches and on the back benches. I wonder what has been done to silence those objections? For instance, what happened to the objection of the hon. member for South Western Nova (Miss Campbell)? She made a speech indicating that she in no way supported the bill as introduced. Her speech was a condemnation of the government and its approach to the subject. The hon. member for Humber-St. George's-St. Barbe (Mr. Faour) made statements outside the House condemning the government without qualification for the lack of consideration which this policy extends to his province of Newfoundland. The hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey) was equally disappointed by the behaviour of the government, and as we sat in this chamber last night and watched those dissenters brought back to the fold we could not help wondering what price was paid, what promises were made and what pot will be opened to fulfil the demands of these people in their own constituencies.

Who should be the spokesman, Mr. Speaker, for Nova Scotia? Who should best understand its needs? Who should be the spokesman for Newfoundland and for Atlantic Canada in general? There are two groups which are obviously best qualified; they are the members elected to the House of Commons along with the premiers and elected members in the provincial legislatures. It is not the Minister of Employment and Immigration (Mr. Cullen) acting in a unilateral way.

In view of the objection expressed by the hon. member for Northumberland-Miramichi (Mr. Dionne), who is the chairman of the Atlantic caucus, we cannot help wondering on this side what plums were passed along to satisfy the objectors. I say this because last night it was very obvious they had been whipped into line and were voting against the best interests of their constituents. Is it a continuation of the discrimination which has been exercised in the allocation of funds for the Canada Works program? The last time that program was examined—and it has been examined several times—it was found that Liberal members of the House of Commons were receiving $600,000 to $900,000 per constituency more than opposition members were receiving, regardless of party affiliation. This is a deplorable and despicable practice because people all across Canada where unemployment is high are entitled to equal consideration. The government has ignored the needs of Canada but has recognized the needs of Liberal members and their constituencies.

To what extent will this pork barrelling be permitted to go? There is certainly evidence from the past behaviour of the government that the DREE program in its various aspects has been used for political purposes. Assistance under this program can be granted to the provinces to aid their economic expansion, but under the dictates of the minister in charge of the program or of the minister representing a particular province.

I have complained about this situation for a long time. One would imagine that moneys granted to a province to assist its economic expansion would be administered by the provincial government as being closest to the scene and knowing more about the need. But this is not to be the case. Before the moneys are released by Ottawa the planning and the location of the expenditure is arranged between the Government of Canada and the individual provinces concerned, without too much consideration being given to the specific needs of the province. Is this use of DREE money to be expanded into a political pork barrel to the detriment of the country as a whole but to the benefit of individual members and individual constituencies? This, we must consider, is what is going to happen. The Canada Works program, as I mentioned, has been loaded in favour of Liberal members. Liberal members of this House are very often inclined to contradict remarks made from this side but I notice there is complete silence on this occasion in recognition of a statement of truth as delivered to them.

Mr. Maine: I rise on a point of order, Mr. Speaker. The hon. member for Carleton-Charlotte (Mr. McCain) has made an incorrect statement. I am sure he does not want to mislead the House by saying that the Canada Works program is loaded in favour of certain constituencies. Grants are made under a formula of which I am sure he is aware, and that formula is geared to unemployment rate. His statement is misleading the House completely.

Mr. Deputy Speaker: Order, please. What the parliamentary secretary is trying to say could be said when he contrib-

utes to the debate. This is a matter of opinion. If we were to allow points of order with regard to different interpretations of, or opinion on, what is said, there would be little time left to members who had the floor. The hon. member did not make a specific attack; he was speaking in generalities, he has his own opinion and he is entitled to it.

Mr. McCain: In reply to that intervention, let me tell the hon. member something. They have a formula in place which no member of this House can figure out. Can the parliamentary secretary figure it out? Has he ever sat down with that formula in mind and tried to determine whether his constituency is getting its fair share of the funds available?

Mr. Maine: Yes, I have.

Mr. McCain: Well, in that case the hon. gentleman may be able to sit down and give us a lesson. The government has changed the regulations but the basis of the formulation cannot be substantiated.

Mr. Maine: Untrue!

Mr. McCain: What price is going to be paid, what plums are going to be passed out to Liberal constituencies through the distribution of wealth and various government programs? I see an example in the designation of districts. I want to start with one district in the province of Quebec. I want to congratulate the government because to the extent that I understand Quebec—I cannot claim to understand it all—a perfect example of a suitable district was carved out when the city of Quebec was regarded as one district because it lies in an area of seasonal unemployment, agriculture, seaway transportation and so on.

But let us turn to New Brunswick. Are we going to change the boundaries of the regions and thus grant a few favours? There are chances for changes in those regions. Let me explain why I say that. If we look at the Carleton-Charlotte constituency, we find that the southern half of that constituency is included in the city of Saint John. That is an area of high employment. Saint John is grouped with a seasonal, rural, small village and town area of the province of New Brunswick. When the unemployment rate in Saint John is averaged with the rate in the surrounding district, the level is brought up to the point where this bill would apply in full.

● (1222)

Why do I complain about that? Part of the city of Saint John is in my constituency, but so is the island of Grand Manan, and so are all the fishing communities on the shore of Charlotte county and on the other islands. If we were to count heads on Grand Manan today, we would probably find that unemployment in that area is somewhere between 20 per cent and as high as 40 per cent. However, that island is included in the same region as the city of Saint John. The government did not use the discretion in New Brunswick which it used in Quebec, and I wish the minister was here to hear this.

Mr. Maine: He will be back.

Mr. McCain: Let us carry this a little further and go to the city of Fredericton and the region in which it is included. Included with the city of Fredericton are rural areas of York county and other areas nearby. What happens when this is done in a highhanded way without consideration for the nature of the region? The city of Fredericton again is an area which is blessed with a high employment rate, but the surrounding area is forest, agriculture, seasonal. If a person lived, for instance, in the community of Stanley in the county of York in the province of New Brunswick, that person would find himself without any of the privileges which special circumstances grant under this bill to seasonal employees. However, if he moved a few miles into Northumberland county or to the constituency of Northumberland-Miramichi, he would find another little community which has a source of employment common with the village of Stanley but, because they are ten miles apart and a district boundary comes between them, this person will get no unemployment insurance in Stanley while people in Boiestown will be as eligible as they ever were. This is unfair, and there is no way it can be supported.

On the boundary between York county and Carleton county there is a little village called Meductic. If a person lives north of the river in Meductic he is eligible, but if he walks or moves across the bridge, he is then in an area of high employment and seasonal employment and is not eligible for unemployment insurance. There is no way this type of bureaucratic division of a country without any consideration or knowledge of employment opportunities can be made by regulation.

That reminds me of a responsible individual in this House, the chairman of the Standing Committee on Transport and Communications. I think I have identified him. He spoke in support of this bill, and this is what he said:

Regulations can be implemented to make sure that no one suffers, and no one will suffer.

It was emphasized earlier that regulations have already been gazetted. I will not touch on that, but backbench and responsible members are relying upon regulations to be sure that their constituents are not hurt. The hon. member also said:

Every bill needs minor changes. That is done through regulations.

Every Canadian is entitled to know exactly where he stands and to equal treatment in this nation. This bill would discriminate among equals, and some will be much more "equal" than others. If this bill can be defended in the village of Meductic, in the village of Stanley or in a multitude of other places, in view of the way the province of Quebec has been handled, I would love hon. members opposite to campaign on that basis in the next election because they are going to have some explaining to do.

This bill is inequitable and unjust. It ignores all the democratic principles which I thought this House of Commons should espouse. This is pure and utter contempt for parliament. This House is asked to consider a bill. The bill goes to committee. It is considered by very hard working people who are dedicated to the welfare of the people who are involved with unemployment insurance, and they learn that the bill is already in effect because by regulation the major aspects of

the bill will be in place and effective on January 1. This bill is a multi-billion dollar item, and it will be passed in this House today through closure.

Then it will be passed on to the Senate in a very degrading form. Senators will hardly be proud of themselves if they yield to the pressure of this government and pass the bill in an hour or two. This contempt for parliament and the parliamentary process is unacceptable. The Senate as well as the House of Commons should have an opportunity to give this measure adequate consideration, but no one extended us that opportunity.

Let us consider again what the Prime Minister is supposed to have espoused early in his political life. I am referring to issue No. 11 of November 30, 1978, of the Standing Committee on Labour, Manpower and Immigration at page 11.10. On that page we find the following:

> In conclusion, Mr. Chairman, if my recollection of our Prime Minister's message in his earlier political life is accurate, he has taught us that to negotiate is not to capitulate, but to set democracy in motion.

That was an early political statement by the Prime Minister of Canada. What negotiations with the provinces took place in this instance? None. There was a meeting in Toronto. The minister gave the participants an hour and a half.

Mr. McGrath: After the fact.

Mr. McCain: The provinces came before the committee to present their cases, but no amendment has accrued from that.

This bill would transfer the cost to the taxpayers of Canada from the federal realm to the provincial realm. I ask those hon. members far to my left who have so assiduously supported everything they thought was right, including the transfer of this expense to the provinces, to refer to the election of 1974 and the processes they followed. One gentleman who took a hard stand against all amendments proposed by the official opposition failed to get himself elected. Hon. members should take the trouble to read the presentations by the provinces and remarks made in this House yesterday about the transfer of cost to municipalities by virtue of the passing of this bill. I wonder if the people of Oshawa-Whitby will embrace the leader of the New Democratic Party when their taxes go up as as result of the transfer costs to the welfare system in that area.

Mr. Peters: We are opposed to every clause in this bill, not just some.

Mr. McCain: Members of the New Democratic Party have thrown their forces more with the government than with us. There is a virtual coalition.

Mr. Peters: Nonsense.

Mr. McCain: I think there ought to be a new definition of the word "nonsense". The minister and the New Democractic Party should cause a revision to be made in dictionaries, because "nonsense" seems to be anything but ideas which originate with the NDP or the government. Any idea which comes from anywhere else is nonsense.

Mr. Speaker, I see that my time is fading away. There is a problem in this field. The opposition recognizes that. The man on the street recognizes it. The provincial governments recognize it. But the federal government does not know how to solve it. This bill cures little. Passing this bill is like calling on a witch doctor to treat multiple sclerosis.

Some hon. Members: Hear, hear!

• (1232)

Mr. Herb Breau (Gloucester): Mr. Speaker, I hope the House will excuse me if I am not my normal shape today. It is because I am under medication for the flu. I might not be able to deal, for example, with the hon. member for St. John's East (Mr. McGrath) as I normally do; but I am sure that in the substance of my arguments, even if the form is not there, I will do the same.

I would just like to comment briefly on some of the things the hon. member for Carleton-Charlotte (Mr. McCain) said in his speech. One wonders why the hon. member would refer to Quebec having been treated differently in the designation of economic zones. I have never seen Statistics Canada setting up a particular system for the province of Quebec, and I wonder why a member from New Brunswick would refer to small towns in some parts of New Brunswick and say it is too bad that the government has not treated them in the same way as small towns in Quebec. When I hear members talk in this fashion, I wonder why they do not stick to the facts and explain to their constituents and to the Canadian public when they speak in the House exactly what they mean by that sort of thing.

First of all, the hon. member does not know what he is talking about when he suggests that economic zones have been set by this bill. It is not this bill that sets up economic zones. All it does is to refer to some of the effects of unemployment insurance benefits on some zones. If hon. members were honest, they would state the facts correctly and say that it is not this bill which sets down economic zones and boundaries. They have always been set down by order in council. In this case the minister has changed them by order in council, and he can change them again by order in council whenever he gets a good argument to do so. So when members start saying that it is this bill which sets up inequities in the designation of economic zones, they are just making political arguments which are completely outside the realm of this bill.

The minister has said to me personally—I believe he has said it publicly and also to other members who have asked him—that he realizes there are inequities in the designation of these boundaries, and he has said he would look at this. I am sure that if he speaks in this debate he will tell us that he is prepared to look objectively at criteria other than a clear and straight statistical arithmetical formula to make sure that these inequities are corrected.

I know that this minister has always been fair and objective with this sort of thing. When I hear the hon. member for Carleton-Charlotte suggest that the appropriation of funds under Canada Works has been politically manipulated by this government, all I can say is that this is complete nonsense. I will make sure that I use parliamentary terms when I speak of him, but let me say that for a Tory member like the hon. member for Carleton-Charlotte to suggest this sort of thing, when he knows that the appropriation of funds is based on an arithmetical formula, is not to have the courage to speak out. That is what the hon. member is doing, to use parliamentary terms; he does not have the courage to speak the truth. For a Tory member from New Brunswick to talk to me—I am also from New Brunswick and I know how the Tory government operates in that province—and suggest that people would manipulate funds strictly on an electoral or political basis is sheer hypocrisy.

Some hon. Members: Hear, hear!

Mr. Breau: When this government appropriates funds on programs which affect people, it does not ever manipulate them politically, and the hon. member knows that.

Some hon. Members: Oh, oh!

Some hon. Members: Come on.

Mr. Breau: Hon. members might say "oh, oh!", but I challenge the hon. member to rise and prove what he said, to prove that any program administered by this government which affects people directly has been manipulated politically. I challenge any member to do that.

Mr. McGrath: I am worried about your throat.

Mr. Breau: My throat is good enough to deal with the hon. member for St. John's East; he does not have to worry about it. Whenever I hear this kind of hypocrisy in the House, I can always find enough strength to speak.

Mr. Peters: What about your medication?

Mr. Breau: To suggest this sort of thing is not to have the courage to speak the truth. I do not like this bill particularly.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Breau: It is not my invention. I did not ask for the bill. But I will support it because—

Miss MacDonald: Because you are a Grit.

Mr. Breau: I heard the hon. member for South Shore (Mr. Crouse) utter something. If he likes to put it on the record I will answer him, but I will not force him to do so. He knows I do not support anything.

Mr. Peters: Conflict of interest.

Mr. Breau: This bill has to be seen in the context of an exercise by the government to moderate the rate of growth of deficits in Canada. It must be seen as an exercise by the government to make sure we do not spend the GNP at too high a rate at any particular time. The deficits in Canada are not out of proportion in comparison with deficits in other industrialized countries, but the rate of growth of these deficits has been too rapid in too short a time.

The hon. member for Broadview (Mr. Rae) should not get too excited because I understand his party's position. It is very clear. They say one should not worry too much about the rate of growth of deficits, and they need not be responsible for whatever they ask for. I would love to be in that position, I would love to be able to ask for anything and to propose anything that sounds good, that is good and just. I happen to be responsible and I happen to be a member of a party which wants to do things for people, which wants to set up good programs for people. But we must answer to the House of Commons and to the public for the amount of money that is spent in Canada.

Also we must answer to the public for the amount of money that must be borrowed abroad or elsewhere for the country. That is why in the months of August and September the government has looked at some programs to see if they could not be changed so that some funds could be liberated to increase child benefits through a tax credit scheme; to increase old age security supplements and to change the spouse's allowance program to provide for a benefit of six months when the spouse dies; and, most important of all, to provide funds for manpower training, job creation and economic development. That is the objective of the so-called August and September exercise.

It is in the context that I support this bill. When the minister first spoke about putting forward this bill, there were some things in it that I could not support and I told him about them. Many of us here do not need a filibuster in the House. We do not need to spend four or five debates discussing two or three amendments and making political speeches to make a point. We sat down with the minister and we discussed these matters with him. He has been very forthcoming and very flexible and he drastically changed his proposals from when they were first announced in September when he presented the bill in the House. I want to thank the minister publicly for having done that because, first of all, the most drastic proposals in September were those with regard to repeaters. He has changed those provisions so that the maximum penalty for repeaters would be six weeks.

● (1242)

The minister went even further and used the best information available, the economic zones provided by Statistics Canada. These zones were not drawn up by the bill; they were drawn up prior to the bill by order in council. Perhaps they are not the best zones, but the minister went further. He looked at the 48 economic regions and indicated that they happen to be in areas where people work and are subjected to living in

seasonal economies, such as fisheries, peat moss, tourism and other seasonal industries. The people of those areas are subjected to seasonally affected economies. The minister indicated that this was the best measure in order to deal with the problem.

He excluded all economic zones with unemployment rates of 11.5 per cent or higher, which is a very good thing. Of course there are problems, and the minister will continue to look at them. The regions were drawn up by order in council, and therefore they can be changed by order in council. The minister does not want to put himself in the position of making a decision alone. The hon. member for Carleton-Charlotte (Mr. McCain) and other Conservative members do not have to worry. Whenever the government passes an order in council, it does not apply only to Quebec; it applies across the country.

Dealing with the question of allocation of time, hon. members of the Tory party said allocation of time was brought in to gag or muzzle us on this side of the House. I am speaking today despite a very difficult situation. We have never been gagged by the government. We have been gagged and muzzled by the filibustering of the Progressive Conservative party. Sometimes we are gagged and muzzled by the New Democratic Party, but not very often because the NDP is a little more reasonable than the Conservative party. We on this side of the House are gagged when Conservative members filibuster legislation. Allocation of time is brought about in order to balance the debate. In any event, we on this side do not need an army of members rising to make a point. We are not interested in just making political points and playing politics. We are interested in discussing the effects of programs on Canadians. We do not require a lot of time to do that. I wish allocation of time was applied to every piece of legislation presented in order to ensure a rational use of the time of the House.

Mr. Knowles (Winnipeg North Centre): That is new Liberalism.

Mr. Breau: I should like to deal briefly with the outlet that the Tories thought they had. I sympathize with the hon. member for St. John's East because he is used continuously by his party. He is a very sincere man. He sounds sincere and speaks well. He represents a constituency which requires government attention. His province also requires the government to do more regarding its economy. He is from an area which needs government attention. The province of Newfoundland cannot be left with the effects of a laissez-faire attitude and with the private sector looking after it.

We have heard a few good speeches in the last two months by some of the new members of the Conservative party, yet they talk about doing more for Canadians. The hon. member for Rosedale (Mr. Crombie) and other members talked about doing more. I cannot refer to the contituencies of the other members because as yet I am not familiar with them. But we did not hear very much from the people who set the fiscal and economic policies of that party. We all know the Conservative proposals regarding the unemployment insurance scheme. When they talk about reducing deficits, and the intervention of government into the economy, they want to slash the expenditures of government. I would not want to trust them to present a bill dealing with unemployment insurance because I suspect what they would want to do. The poor member for St. John's East is being used as an outlet for the Tory party. They think they have an outlet by proposing a two-tier system of benefits: one for people who have or claim dependants, and one for people do not have dependants.

Approximately seven or eight weeks ago, the Conservative party criticized us from a human rights standpoint. They used the valid arguments of the human rights commissioner to criticize the government because it thought of bringing in programs which the Conservatives thought were discriminatory to women. The economy of the province of Newfoundland is similar to the economy of my province. In some areas the only employment women obtain is unstable. In a lot of cases, these women are married to men with reasonable salaries because their husbands work in certain industries. Because the husbands have higher incomes, it is normal that they would claim the dependants for income tax purposes.

The Tories have not defined the term "dependant". They have not indicated how they would deal with this area. If a husband works in a good industry and earns $18,000 to $20,000 a year, of course he claims dependants in order to save income tax. If his wife works in a fish plant or a restaurant for a few months of the year, her salary will be lower; but they are very lucky to have more than the minimum wage. The hon. member for St. John's East suggested that such a husband would never go on UIC or, if he does, it would be for a very short time at the high rate. They are willing to give the husband 66⅔ per cent by way of unemployment insurance, but the wife who works at the minimum wage will be given 50 per cent.

Miss MacDonald: But the government is going to cut her off.

Mr. Breau: We exclude working women unless they are new entrants or re-entrants into the labour force.

Miss MacDonald: Oh, oh!

Mr. Breau: The hon. member for Kingston and the Islands (Miss MacDonald) is becoming nervous because she is supporting a measure which will penalize people with low incomes, particularly women and single people. We know that single people and women work in the worst conditions.

Miss MacDonald: What about your proposal?

Mr. Breau: If the hon. member looks at any definition of employment or any study on employment, she will find that young people without dependants and women do the worst jobs. They are the people the Tories want to punish. They have said that people with dependants will receive 66⅔ per cent, but the single people and working women, because they cannot claim the benefit of dependants as a result of their lower salaries, will be penalized. The Conservative outlet did not work this time. The Tory party showed that either it cannot

take a position, or that when it takes one it does not care about working women or single people. They do not care enough to look at the effects of their proposals.

I am ashamed to see the sincere member for St. John's East being sucked into that kind of position just because some new member from Toronto in the Conservative party, who was accustomed to working in theory, sat down at a desk in order to write down a few things. The new member wanted to find an outlet for the Tory party and said, "This is a very just position". They have a half-hour meeting, they have a caucus and they have a few arguments, and that is the position of the Tory party. That is why the Tory party will never make it to government. They cannot make up their minds properly.

● (1252)

I must say that the Conservatives have helped me quite a bit. As I have said, I would prefer not to have this kind of bill but I will support it because I agree that for a few years until the economy of this country has picked up again we have to reduce the rate of growth of deficits in Canada. We have to bring the economy into order again. I will support this bill at this time because it will liberate some funds for manpower training and job creation. In this kind of situation I would rather do that than not do anything, and not have these funds available, because our rate of growth of deficits is too high in Canada at this time.

Mr. Bob Rae (Broadview): Mr. Speaker, I want to begin by confessing that our party is in fact seriously split on a major political issue facing the country. I think we should confess to that split. There is a very serious division between us as to which of the other two parties is worse, the Tories or the Liberals.

An hon. Member: Both.

Mr. Rae: I must say that after listening to the two speeches today I would say it is a draw and the Canadian people will soon have a chance to express their own views on the matter.

The conflict that took place in the committee and that is taking place in this House in respect of this measure—and I say this not in the sense that we have a monopoly on virtue in this party, or that any party has a monopoly on virtue—

An hon. Member: You are kidding. That's the first time I have heard that.

Mr. Peters: He is speaking for himself.

Some hon. Members: Oh, oh!

Mr. Rae: I think the conflict within a modern industrial economy such as Canada's is among those people who want to allow the labour market to dictate, to the maximum extent possible, the fate and the well-being of its citizens and the extent to which that society recognizes that labour is not a commodity. That conflict is a very old one in society. It is not something that started with the introduction of this bill, and it is not something that will go away with the passage, the defeat or the delay of this bill. It is something that will stay with us for quite a long time.

I want to remind the minister that over 140 years ago in England the Poor Law Commissioners were told to come up with a system that would deal with the great problem of vagrancy that existed in that society at that time as well as the problem of unemployment that then existed as a result of the industrial revolution. The Poor Law Commissioners came back with a report that said that the one principle that has to be maintained is that, whatever maintenance is provided for people who are not working, it must be less eligible than the lowest form of labour in that society. That was known as the "less eligibility" principle. We have advanced not one single jot beyond the less eligibility principle that was set forth over 140 years ago.

I want to read just briefly from the report of those commissioners. They stated:

> The assumption behind this principle of less eligibility, as it came to be called, was that the indolent, disspirited, and feckless, when faced with a choice between working harder and living in what amounted to a prison, would become industrious, alert, and responsible. The law was expected to achieve miracles. "New life, new energy is infused into the constitution of the pauper," one of the commission's investigators insisted. "He is aroused like one from sleep . . . he surveys his former employers with new eyes. He begs a job—he will not take a denial—he discovers that every one wants something to be done . . . He is ready to turn his hand to anything."

That was the view of the Poor Law Commissioners in 1834. I do not think we have advanced very far beyond the views of the Poor Law Commissioners.

An hon. Member: That is a lot of crap.

Mr. Rae: No, it is not crap. I would point to the principles which have been put forward, and they have been put forward by the minister, by his parliamentary secretary, by civil servants, and by such other distinguished contributors to the debate as the hon. member for LaSalle-Émard-Côte Saint-Paul (Mr. Campbell), who said that more than half the people who are on unemployment insurance were abusers and cheaters. He is the brains trust, I suppose, of the Liberal party in this regard. That is the view of the government, and I dare say it is also the view that is being taken at the current time by the majority of the Conservative party.

For political reasons the Conservative party has been able to play both sides of the fence, and for those of us who were in the committee there was never any question as to where the Conservatives really stood. They wanted more restraint, not less. They wanted more cutbacks, not less. The hon. member for Vancouver Quadra (Mr. Clarke) put it very well in the debate the other day in this House when he said there were more inequities in this bill than the Conservative party was prepared to put up with. He wanted something that would have some inequities but not as many inequities, as, or different inequities from, the inequities presented by the government. I would suggest that is the choice which the Canadian people have been presented with in this bill and in the amendments proposed by the Conservative party.

Our party has simply taken the position that working people are entitled to decent maintenance, that there is not widespread, systematic abuse and cheating of the system. Our party has taken the position that the real problem in Canada—and you can cover it up, throw it away, try to reduce the participation rate, cosmeticize the unemployment figures—is the fact that we have an economy which historically has produced a great deal of unemployment and a great deal of seasonal work, with large areas in the country where unemployment is in the 15 per cent, 20 per cent, 25 per cent position.

May I call it one o'clock?

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock.

At one o'clock the House took recess.

● (1402)

AFTER RECESS

The House resumed at 2 p.m.

Mr. Rae: Mr. Speaker, there are features of this bill which we object to in particular, and I would like to go through them in the time remaining. The first feature which we object to is that the minimum insurability has been increased. This means that 42,000 part-time people, according to the minister's own calculations, will be cut off the rolls at a saving to the department of $60,000. This proposal affects women and youth more than anybody else, and we think that that is a mistake. In fact, the minister himself admitted it during his speech on second reading when he said that these features would affect women.

The second feature is clause 4. It is part of the guts of the bill and it increases the requirements for new entrants and repeaters up to 20 weeks. While the minister has allowed a trigger clause for areas of underdevelopment in Canada for repeaters, he has not allowed a similar clause for new entrants. This cannot be done by regulation. This feature is expected to save $300 million, and the majority of that saving will come from the area of heaviest unemployment in the country, the area east of the Ottawa river.

The third feature which we object to is the fact that benefits right across Canada will be reduced by 10 per cent. The thing about restraint which is important to remember is that one man's restraint is another man's income cut, and that is a point which we should bear in mind, especially at this time of year. It is all very well for those of us who are making a fair chunk of money to talk about pulling in our belts, but it is another thing to talk about pulling in somebody else's belt when that person is making at the very most $160 a week from unemployment insurance. I think that the 10 per cent cut is the most vicious feature of this bill, the one clause which will be the most unpopular and the undoing of this government.

The Tory party has put forward their two-tier proposal as the answer to the situation. I look upon this two-tier proposal as shedding one tear for youth and women and another tear for Atlantic Canada.

Mr. McGrath: That is very good.

Mr. Rae: That is what it amounts to. I would contrast the approach of the Conservatives on this matter to the approach which the hon. members for Kingston and the Islands (Miss MacDonald), St. John's East (Mr. McGrath) and Egmont (Mr. MacDonald) took in the debate on the child tax credit, and I was present right through passage of that bill, as I have been here right through debate on this bill. It is two completely different songs, and I cannot believe that it is the same party. That group was saying that the concept of a family income was discriminatory. In fact, the hon. member for Kingston and the Islands gave several speeches, and they are all on the record, with respect to the fact that if you have joint filing in the matter of a child tax credit, it is discriminatory against women. How is this bill any different? How can that party justify saying to women who, for income tax purposes, do not have dependants, but who do have dependants for family benefit reasons, that they should not get the same benefits as men?

I have written a little song about the Conservatives which goes like this:

Cutbacks, cutbacks we like best,
But that won't wash in St. John's West,
So you mothers and singles give two Christmas cheers,
For the Clarks, Joe and Bill,
And their mighty two tiers.
Yes it's 50 bucks, 50 bucks, ringing in your ears,
And even less as part-time nears,
So you mothers and singles give two Christmas cheers,
For the Clarks, Joe and Bill,
And their mighty two tiers.

Some hon. Members: Hear, hear!

Mr. Rae: The Liberals remind me of a game I used to play when I was a child, not too long ago.

An hon. Member: Yesterday.

Mr. Rae: Yes, it seems like just yesterday.

Mr. Cullen: How can you say that, sitting behind Stanley?

Mr. Rae: I feel like I have been here for years. It was a game called "Simon says". But the game which the Liberals are playing is called "Gallup says". When Gallup says stand on your head, the Liberals stand on their heads; when Gallup says take it out on the unemployed, because there is a popular feeling going around that there are abusers and cheaters, the Liberals follow Gallup. He who lives by Gallup dies by Gallup. There is nothing easier, and I think that the Canadian people can see right through it. In doing the thing which may be temporarily popular, because of misapprehension and the misconceptions there are about unemployment insurance, those

people who follow Gallup and follow what they think are the vagaries of public opinion in this regard will be undone by that very same public opinion.

Granted, it may be unpopular to defend unemployment insurance in a time of restraint. But that is the price we in this party are quite prepared to pay. We have paid it before through other measures and we will do it again. The fact remains that the vast majority of people who are in receipt of unemployment insurance are deserving, both in terms of the law and in terms of need. The fact is that the overwhelming effect of this bill will complicate matters considerably for everybody. I cannot understand some of the provisions, and I have sat through committee meetings. I challenge the parliamentary secretary to explain to me once again the difference between repeaters, re-entrants and new entrants. It took two or three nights going through the bill for the civil servants to explain that to us.

● (1412)

An hon. Member: The *Globe and Mail* said you were bright!

Mr. Rae: For once the *Globe and Mail* was right. But when I think of the Liberals I always think of what that great Canadian philosopher, Larry Zolf, once said—"The Liberals firmly believe that you should never kick a man when he is up". I think that is the philosophy that the Liberals have taken on. They are not prepared to take on the powerful people in this community who have taken advantage of the tax system to acquire companies rather than to invest in Canada. The people they would rather take on at the present time are the unemployed. There is no easier road to follow than that road.

Just to show you how far industry has gone in this respect, I have a letter from the Pulp and Paper Association to the committee praising the proposals that have been put forward by the government. It says:

> It is well known that the employment rate is not strictly a demographic function of a growing working age population trying to fill too few jobs.
>
> The industry feels that the proposed amendment to the benefit rate reducing it from 66⅔ per cent to 60 per cent of average weekly insurable earnings will help break the linkage between the participation rate and the benefit rate.
>
> If the total labour force had expanded at the same rate of growth (1.9 per cent) as the working age population the number of job seekers would have risen by 203,000 over the past twelve months. Given the 362,000 new jobs created in the same period, the seasonally adjusted employment rate would have come down to 6.8 per cent instead of staying at 8.2 per cent.
>
> The participation rates are very volatile and are reflective of many tendencies, among these being young people staying out of school, and women seeking a second family income because of rapid inflation. Also among these must be included the high participation rates induced by the level of unemployment benefits itself. An interesting statistical analysis on this phenomenon was presented last December in *Executive* Magazine by Mr. John Kettle. Reducing the benefit rate to 60 per cent of insurable earnings should, in our view, help to reduce participation rates and thereby the unemployment rate by adjusting the number of job seekers more closely to the job-creation rate.

We know where to go now. We do not go to the Economic Council of Canada who have not called for any changes in the unemployment insurance—they have called for a change in the administration but not for a change in the regulations—we go to *Executive* Magazine. It is *Executive* Magazine that is dictating the course of this government.

We can see precisely what this government is trying to do in this regard. The government is trying to get a lower unemployment rate by cutting down on the participation rate in the economy. So if we get people back in the homes and back in the schools where, in the government's view, they belong, we will not have to put them on the unemployment statistics and worry about them any more. That is precisely the point that I made to the minister when we discussed the Outreach program in committee. That is precisely the point that is made by the Pulp and Paper Association, and that is precisely why the Pulp and Paper Association and *Executive* Magazine and the business corporations of this world are 100 per cent behind the government. They want to see that participation rate go down. They do not want to see women and young people in the employment market; they want to see them out of the employment market. I think it is a sad day for those people when it has been proved statistically that the vast majority of women working in the work force need to work because of the economics of the situation.

In Toronto, the metropolitan social planning council found that a family of four needed $14,500 per annum just to live above the poverty line, that the average income of families was $19,000 and that 80 per cent of families needed to have two incomes just to be living at the level of a $19,000 per annum salary. So I say to the government, and I say to the Conservatives—you cannot tell the difference any more—to the hon. member for York-Scarborough (Mr. McCrossan) who keeps talking about secondary wage earners—and he was talking about secondary wage earners in his speech the other day—that in my opinion there is no such thing as a secondary wage earner in Canada today. There are primary wage earners only, because every single wage earner is necessary in order for those families to keep up with inflation. The theory going around that there are secondary people in the labour market who are causing all sorts of problems, that women do not really need to work and that children do not need to work until they reach the age of 24 or thereabouts, is a dangerous and reactionary theory. If that is what the government is trying to put forward, I think they are making a major mistake.

We have opposed this bill tooth and nail right down the line. I know that our opposition has caused a great deal of concern on both sides. We have been attacked almost equally by the government and the Conservatives because we have put up such strong opposition. In view of this opposition, Mr. Speaker, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That all the words after the word "that" be deleted, and that the following words be substituted therefore:
>
> "Bill C-14 be not now read a third time but that it be read a third time this day six months hence."

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I am pleased today, as the debate draws to a close on Bill C-14, which to my mind is of considerable importance to the Canadian people, to make a few comments on third reading. This bill was parachuted and passed full steam ahead, to say the least.

Mr. Speaker, I say the bill was parachuted because the government is imposing its passage through a closure motion; for my part, I certainly do not accept that willingly. The Canadian people surely deserve better than a government that legislates too hastily on matters as important as family allowances and unemployment insurance.

I do not want to limit myself to criticizing the government; I also wish to explain my line of thought and my attitude towards this bill we have all been discussing in the last few days. The present unemployment insurance system is a necessary evil, some claim, necessary for sure, but also evil in that it is an insult to the dignity of man. What people want is work and not unemployment insurance benefits. That is probably what the minister had in mind when he introduced this bill, but the means suggested to do it are absolutely contrary to the basic principles of good public administration.

At a time when the country faces the highest rate of unemployment it has known in many a year, cuts in the unemployment insurance benefits are certainly not indicated. Let us not forget that the majority of those who will be deprived of unemployment benefits will fall back on welfare, the social cost of which is extremely high. The unemployed is looked upon as a worker without work, whereas people on welfare are relegated to the lowest rank of society.

It would be pointless for me, at this stage of the debate, to go into each and every detail of every proposal contained in this bill. Besides, my colleagues have already explained to the House the views of the Social Credit Party of Canada on this bill. However, I wish to make a few comments on the essential features of the bill which makes it entirely unacceptable. First, those proposals are extremely arbitrary. Second, they will have nefarious effects on many disadvantaged unemployed and will deprive them of the benefits which some members of the working force especially the most vulnerable ones, should enjoy. They all deal with, the unemployed. Third, those proposals do not solve nor remove the hindrances referred to in connection with dishonest unemployed. Fourth, those proposals are very difficult to understand and still more difficult to enforce.

Incidentally, the parliamentary secretary, the member for Wellington (Mr. Maine) said yesterday that the Social Crediters were not interested in the bill. I would like to point out that if he wants to be charibable, as he believes he is, he should go and administer an unemployment insurance office after the bill is implemented and he will then realize that he is no longer in the constituency of Wellington protected by the popularity of the Prime Minister (Mr. Trudeau). He will realize that facing the unemployed is much more difficult than enjoying the popularity of the Prime Minister.

This bill comes on the heels of a costly publicity campaign aimed at portraying the unemployed as a bunch of crooks and parasites. That campaign has been conducted in spite of objective statistics which proved that there is a real lack of jobs available. The number of jobs available is ridiculously small when compared to the number of unemployed looking for a job. Still, I am giving the benefit of a reasonable doubt to those we call swindlers of the unemployment insurance system because those we believe are swindlers are actually people who need to earn money to eat. I do not think we should call these people swindlers just because they need unemployment insurance benefits to buy their groceries; it is as simple as that. Some measures affect the unemployed who are members of a category which we want to despise and which we call repeaters.

[Mr. Beaudoin.]

● (1422)

The government seems anxious to avoid mentioning the real facts at the root of the unemployment problem. It constantly refers to steps aimed at encouraging our people who are out of work to seek employment, but without ever mentioning the real lack of job vacancies available, with some 60,000 job openings for a million unemployed. We should not put too much of the blame on unstable working habits. We may wonder if last spring advertising campaign which tended to assimilate the unemployed with cheaters and the introduction of this government bill are just a coincidence or a scheme by the federal government to hide its ineptitude at creating new jobs without depriving the most unfortunate members of our society of the money it needs to set up employment programs.

We believe that this government really wants to create a Canadian bank of cheap labour. The worker who holds an insurable job and who has already received benefits will not dare leave his job no matter what, even though painful working conditions may endanger his health, his security and what have you. A job on any terms, that is what is meant in the legislation. The minister himself indicated that when he said the new scheme would make low paying jobs more attractive. Those are key notes in this legislation. As the minister suggests, the purpose of the measures proposed is to reinject more money in job creation. Why has it not occurred to him that he could take that money from the rich, from the multinationals for example, instead of taking it from those who do not have money at all or are expecting a mere pittance from unemployment insurance to eat and give their family something to eat?

With this bill the government wants to save $2.5 billion in the long term, and in the short term $1.5 billion within two years. That is how they will get that amount of $1.5 billion because, again it does not hurt too much those who have more money. Mr. Speaker, that is unacceptable in my opinion. Yesterday all members witnessed how little courage the majority party has shown in favour of the poor when they used their majority in the House to defeat by vote 29 amendments which could have affected the bill. I hope the poor, and here I mean the unemployed, will remember that at the next general election.

The most striking thing about this piece of legislation, Mr. Speaker, is the nice words used by the Minister of Employment and Immigration (Mr. Cullen). He claims that this bill will make the unemployed more reasonable and more responsible. I wonder when an unemployed worker becomes reasonable and responsible. I think it is when he can eat three meals a day with what he can earn by working. If we want to strike off the unemployment rolls people who may rightfully deserve to be there, why do we not simply repeal the act, and rather than moving this measure in the House, propose legislation which would give these people a guaranteed annual income. If we had legislation to ensure a guaranteed annual income to these poor people, all members of the Social Credit Party of Canada would support the minister. We think of the poor and I believe there are many well meaning Liberal members who share our view—

Mr. La Salle: Yes, but they cannot say so!

Mr. Beaudoin: I have spoken to a number of them and they sigh in reply. It is like when Mr. Caouette occupied a seat next to me—I had the honour of sitting next to him for many years—history is repeating itself. Times change but history keeps repeating itself. If the Prime Minister lifts his little finger, everybody on the government side lift their little fingers, but that does not show much intelligence. There are far more unemployment than people who abuse of the system.

A study of the Economic Council of Canada stated that:

Four out of five unemployed in receipt of unemployment insurance benefits are jobless through no fault of their own.

I think this single sentence should make the minister realize that the bill which is brought forward on third reading is completely wrong and will do nothing to make us better understand the unemployed or to improve their lives.

As a corollary to this last point, let me add that for the legitimate unemployed, that is the worker who cannot find a job, the ever rising cost of living is just the same as for the rest of the people. But instead of compensating for the loss of revenue caused by inflation the government decides to lower the benefit rate from 66 per cent to 60 per cent. In view of the inflation factor the unemployed is therefore doubly penalized. In an announcement which has been published on September 1, 1978 the Minister of Employment and Immigration (Mr. Cullen) was explaining one of the main objectives of the new amendments of the Unemployment Insurance Act:

I want to make sure that the unemployment insurance system fully encourages Canadians to seek and to accept jobs.

What kind of story is this, Mr. Speaker? The minister knows full well that there are no jobs! There are 60,000 jobs for some 200,000 unemployed. For the 249,000 unemployed who are offered 50,000 jobs, that will represent three or four workers for the same job, if I get my figures right, and for long periods, five for the same job. What are they going to do? They are going to knock at the door of factories until the personnel officer is tired of them and they are going to go home frustrated with nothing to live on, nothing to eat, they will have to live on welfare with the help of the province to be able to eat three meals a day.

With the application of the standards which are contained in the bill which we are dealing with today, we end up with a complete nonsense. Once again, if we could give a sort of guaranteed maintenance so that those who have undergone a loss would be able to live decently, we would agree to adopt this bill. But we see with this new bill that the government once again gets its priorities all wrong. Instead of cracking down on the unemployment insurance system and making cuts they should crack down on the economy, and give it the necessary stimulants which would create more jobs.

The government says that one of the shortcomings of the present unemployment insurance plan is that people can too easily get benefits over and over again. That is a chronic disease. But who must be blamed if the unemployed cannot find a job or if they have to draw unemployment insurance to meet their basic needs? They cannot do otherwise. So, they cannot do anything but try to get unemployment insurance. Unemployment insurance is a form of guaranteed annual income for a number of unemployed and the government seems to reject a that philosophy, yet it is not against the guaranteed annual income concept. To say the least, the government is not very consistent nor logical in its line of thinking.

The government declares to anyone who wants to hear it that it is prepared to dialogue with the provinces. As regards the amendments to the Unemployment Insurance Act, it did listen but for a while only. For instance, at a recent federal-provincial meeting the Minister of Employment and Immigration refused to concur with the views of provinces. They were seeking a delay in the implementation of the new amendments until the publication of a study on the impact of those amendments on various welfare agencies. If we try to implement those changes without taking that study into account, what is the use of such studies? Why should the government request studies on regulations for the poor or for those who are out of work will lose their unemployment insurance benefits after this bill has been adopted? But the government does not care about that nor does it agree with the provinces. It says: We are still going to adopt this legislation. Mr. Speaker, I think the minister is not very consistent with that bill.

The government unfairly accuses the unemployed of having caused an increase in the cost of unemployment insurance, but is the government forgetting its own role in this cost increase? The report of the Auditor General for 1977 mentions that $142 million was paid out to people who were not entitled to benefits. What about that? I really wonder who will be able to solve the mystery of these expenditures without knowing who is responsible. I think I have explained the main aspects of my opinions on Bill C-14. However, I would like to remind the

House of the efforts and the wish of some ministers to help the most underprivileged members of our society. I would also like to note, Mr. Speaker, that on the side of the majority, there are now ministers who work very hard to at least show that they want to redistribute the wealth of the country to those who need it most.

In his last budget, the Minister of Finance (Mr. Chrétien) took a step forward by bringing up the possibility of a guaranteed annual income. He gave us a book and asked us to read it and study it to determine what could be suggested in the House on this subject. This book concerns essentially the possibility of a guaranteed annual income for the future. I congratulate the Minister of Finance for having thought of this. However, this should not be an excuse for the minister who now sponsors the bill on unemployment insurance to wash his hands of the whole matter and say: We shall wait for the guaranteed annual income. It should have been implemented at the same time as this bill was introduced.

The Minister of National Health and Welfare (Miss Bégin) talked about optional retirement at 60 for those who want it. I hope that this is not only an idle promise, as the hon. member for Joliette (Mr. La Salle) has just said, and that the Minister of National Health and Welfare is truly concerned about the fate of the poor. Because of her association with her department, she is well aware that a great many people are below the poverty line. There is quite a contradiction. The Minister of National Health and Welfare tries to help the poor while the Minister of Employment and Immigration (Mr. Cullen) creates poverty. And that in the same government. Does that mean that one has much more compassion than the other, or the latter forgot that to please the majority? I do not believe so, Mr. Speaker. I feel, however, the minister was in error when he brought this legislation in. For this reason we feel in this party we cannot support it.

We proved last night we have no other choice. We are sorry because we feel no sympathy for those who abuse unemployment insurance. We cannot stand those UIC "pensioners". We cannot approve that. A few of them I would not be sure about, but a fraction can and do abuse it. Some 30 unemployed at least come to see me every week, 99.9 per cent of whom are certainly honest, but some of them have lost track of the system because the program has been amended four times in five years. The unemployed would have to be lawyers to understand this legislation. Unfortunately they have no choice.

Let me come back to another minister, the Minister of Agriculture (Mr. Whelan). I like the way he operates. He is very dedicated. He does all he can for those who want to get out of farming because of the impact imports have. They stay on. He looks after the poor and I commend him for that.

As the hon. member for Richmond, and I would conclude on this, as Social Credit member I would like to make a comment, but I want to be well understood. This comment is made in the spirit of Christmas. The parliamentary secretary, the hon. member for Wellington stated yesterday he wanted to deal mainly with Social Crediters because we had not attended committee meetings and so forth. Mr. Speaker, I would like to remark that we are nine members from the Social Credit Party of Canada elected in the House, and I do not think we have stolen our seats because we won them in an honest and democratic election.

We are nine, and three are ill, so they are not here which leaves only six to attend the meetings of all the committees of the House, to sit in the House and to fulfill the other duties. I would like the Parliamentary Secretary to the Minister of Employment and Immigration to withdraw the words he said yesterday. I think he said this: I am the only one here who can say that with any degree of honesty. I would tell my hon. colleague that if he has the degree of honesty he thinks he has, he should withdraw his words.

● (1432)

[*English*]

Mr. Deputy Speaker: I see the minister is seeking the floor.

Mr. Cullen: There is a new motion before the House, Mr. Speaker.

Mr. Deputy Speaker: That is correct. There is an amendment. With the amendment before us the minister has the right to speak.

Mr. Benjamin: The minister does not need to speak again; he has won.

Hon. Bud Cullen (Minister of Employment and Immigration): The hon. member to my right, who is really on the left but is not sitting in his proper place, says we have already won. The reason we have won, I suggest, is because we have been fighting for this bill with might and main.

Some hon. Members: Oh, oh!

Miss MacDonald: That shows how poor your case is.

Mr. Cullen: The hon. member for Wellington (Mr. Maine) has done a phenomenal job. He has attended every meeting of the committee and every steering committee meeting. No minister has been better served by a parliamentary secretary. He had a difficult job to do and he did it extremely well; I am greatly indebted to him.

I have listened carefully to what has been said during the debate. I shall not attempt to deal with all the comments which have been made but I see present in the chamber an hon. member who has been described as the "perfect little mayor."

● (1442)

When I heard him make his speech I felt that some imperfections were beginning to show and that perhaps the perfection was somewhat overblown when he was mayor. I was reminded of a grammatical expression. Perhaps the hon. mem-

ber's past was "plus perfect." I feel it has been somewhat overstated.

The hon. member spoke of the Seafarers' International Union. I dealt with that union. It expressed a concern. The hon. member also expressed that concern. We were able to solve the problem with about three telephone calls. I was subsequently visited by a representative of the Seafarers' International Union who was concerned about those members of his union who work in the far Arctic and on dredging contracts. We were able to satisfy that union representative that there was no need for concern. The explanation given to the union by members of the New Democratic Party was wrong, and the union representative left the meeting at which my officials were present satisfied that the union had nothing to be concerned about as far as northern points and dredging are concerned.

At second reading I stated that these changes to the Unemployment Insurance Act are being made with two purposes in mind. The first is that we want to reduce some of the disincentives to work which are present in the program. Second, we want to encourage workers to establish a more stable work pattern, to develop longer attachments to the active work force and thereby reduce their dependency on unemployment insurance. I think those are good goals. Cutbacks are necessary, and they will result in a better and more balanced program than before. There will be new emphasis put on encouraging all Canadian workers who look for, accept and remain at work.

Some misinformation has been spread through this House and across this land by hon. members opposite regarding job vacancies. We are told that there are few vacancies. We are told that 900,000 people are unemployed and that there are only 44,000 vacancies. I believe the Creditistes said there are 66,000 jobs available. Hon. members based their allegations on the job vacancy survey. All the job vacancy survey indicates is the number of job vacancies in a particular region for a limited number of sectors on the particular day of the month that the survey is conducted. In no sense, therefore, can the figure be used to indicate the number of jobs which become vacant during the course of a week, a month or a year.

Let me put that in simple terms so that hon. members opposite who are not using the job vacancy survey the way it was meant to be used can understand it. In 1977 the job vacancy survey showed 44,000 job vacancies on average, whereas total hirings which took place was more than 11 times that number. There were 495,000 at that time, when the job vacancy survey was indicating 44,000 vacancies. In my view that is a dramatic demonstration of the dynamic quality of the Canadian labour market and, in particular, the number of jobs which are filled on a continuing basis. Thus, despite high rates of unemployment there are many opportunities for unemployment insurance claimants to find and accept suitable employment.

We have been criticized in the House for not being amenable to change and for being hard-nosed. We are accused of saying: "Here are the changes; take them or leave them." Hon. members opposite know that when I piloted through this House Bill C-24 and Bill C-27 a significant number of changes were made. The hon. member for Provencher (Mr. Epp) mentioned that in his speech. He indicated that we had not agreed to any changes to this bill.

The hon. member for Gloucester (Mr. Breau) clearly demonstrated that we have made many changes since the first announcement on September 1 of this year. We made changes in the repeater section which were necessary in order to prevent repeaters from having too detrimental an impact in areas where people are concerned. I will not repeat what the hon. member for Gloucester said. He handled this aspect very well.

In all their haste to be critical hon. members in the official opposition did not listen to their own members. The hon. member for Churchill (Mr. Smith) came forward with a concern that he felt. He made a solid representation. He said there is something wrong when Indians on reserves are not counted in statistics. We listened to what he had to say. My department checked with Statistics Canada. We made an amendment at the committee stage, but not one member of the opposition saw fit to give credit to the hon. member for Churchill for a change he worked on and which we implemented on his behalf.

Some hon. Members: Shame.

Mr. Breau: He did his homework.

Mr. Railton: Great man, Churchill.

Mr. Cullen: The hon. member for Winnipeg North Centre (Mr. Knowles) said we would not have had to impose time allocation if we had accepted the change the New Democratic Party wanted to make. The NDP wanted to reduce the benefit rates. The hon. member said that if we had done that, this bill would have gone through very easily. The hon. member misses the point. We studied the impact of reducing the benefit rate. Some people thought we should have dropped it to 50 per cent. With their two-tier approach the Conservatives would drop it to 50 per cent for those individuals who have no dependants and who draw unemployment insurance.

We moved the rate from 66⅔ per cent to 60 per cent, but I think it is important to realize that the level of benefits is one of the most important factors giving rise to disincentives to work. The study commissioned for the comprehensive review indicated that the benefit level is the single most important factor in this respect. We received representations from right across Canada. We received representations from the Atlantic development board, chambers of commerce and from the Canadian Federation of Independent Business, the people who create jobs in this country. The vast majority of jobs are created in the private sector, and it is the private sector which was telling us that at 66⅔ per cent the benefit rate was a disincentive to work and that it resulted in an unstable work pattern. We listened to the private sector because, after all, it is not just the government and employees who pay into the program. Employers pay into it as well, and they have some rights.

We were being given some solid representations, and we accepted them. We did not go all the way with the Chamber of commerce, which wanted to see the entrance requirement increased much more than I wanted to increase it. We did not listen to those who would have had us reduce the benefit rate to 50 per cent. However, we accepted what we thought was an appropriate compromise. That is the way a bill should be drawn. We could not accept the main amendment of the New Democratic Party. We were told that if we accepted it, the bill would have gone through quite easily.

Then we looked at the two approaches taken by the Conservative party. The hon. member for York-Scarborough (Mr. McCrossan) said he spoke to my officials. We examined the two-tier approach and the voluntary quits approach to see if they had any merit. We looked at the approach the Conservative party was presenting. We did not feel that approach had any merit.

The Conservative party did a flip-flop with its own representations. Conservative members kept changing. They would tell us what they would like. When we pointed to a flaw, they flipped-flopped on this two-tier approach. It is roundly and soundly condemned by members of this party and by the NDP.

The two-tier approach is not equitable. We pointed out during committee hearings that, if this proposal were adopted, it would have a serious discriminatory effect on women. If one were to use the definition of "dependants" as contained in the Unemployment Insurance Act before 1976, total savings would be about $850 million, which is comparable to the package contained in Bill C-14. But if one were restrictive and adopted the provincial definition of dependants—that is, dependent children only—savings would be increased and discrimination toward women even more profound. Using the former unemployment insurance definition of dependants, the two-tier proposal could result in a situation whereby only 5 per cent of women would receive the higher benefit rate and 42 per cent of men would be entitled to that rate. I could not accept the two-tier approach as proposed by the provinces and by the official oppositions.

Miss MacDonald: Because you do not understand choice.

Mr. Cullen: We pointed out this discrimination, and they drew in their horns somewhat. Perhaps the provinces were not totally right. Hon. members opposite did not bother to refer to the province of British Columbia, which said that our approach is a step in the right direction. Admittedly, the government of British Columbia is a Social Credit government and might have wanted us to go a little further, but that government said our approach is a step in the right direction. So all the provinces were not in favour of the two-tier approach.

In order to overcome the discriminatory aspect the Conservatives then proposed that either spouse could claim children as dependants. In other words, it was no longer a differential benefit rate for those with or without dependants but for those with or without children, whether or not they were really dependants. If they were trying to save money, this would have reduced savings by another $200 million. That is somewhat surprising because they were trying to come out with something which would get them off this hook.

When I introduced my package, the hon. member for St. John's East (Mr. McGrath) said it was like a kick in the gut. The hon. member for York-Simcoe said that it was a great move and that it was too bad it was not taken long ago. Hon. members opposite are trying to skate off this thin ice on to which they have got themselves, and they have come up with a two-tier system which is total discrimination against women. They say it is not discrimination and that it is just that more women are affected than men. They say that that is not discrimination. I challenge them to tell that to the National Action Committee and the National Advisory Council on the Status of Women.

● (1452)

Then yesterday they were trying to bail out the party. They had about six critics over there, but finally the Leader of the Opposition (Mr. Clark) rose to speak. I thought we were going to hear something other than a political speech. To his credit he got in a couple of good political jabs—one at me because I did not keep my mouth shut as I should have, but I appreciate it; that is what this place is all about. But then the Leader of the Opposition, speaking on the report stage of the bill, introduced the notion that the Conservative's two-tier proposal would use the same definition of dependants as that contained in the Income Tax Act.

Now we have heard a third definition of dependants. This definition is very similar to that formerly used in the unemployment insurance program; that is, it includes dependants' spouses as well as children. What effect would it have? The Income Tax Act allows either spouse to claim the children as dependants. If this course were followed in such a way that whichever spouse was claiming unemployment insurance could claim the children as dependants, it would have the effect of reducing discrimination against women; but it could reduce the savings to $635 million, when they were touting their program would save more money, closer to $1 billion.

If, as at present, the spouse with the highest marginal tax rate continues to claim the children as dependants, then the savings would be in the order of $850 million but the discrimination against women would continue to be profound. In other words, the Conservatives cannot have it both ways. In order to maintain the high level of savings, the two-tier approach must discriminate against women. The removal of that discrimination implies a considerable loss of over $200 million in the savings to the unemployment insurance program.

Some hon. Members: Hear, hear!

Mr. Cullen: Another suggestion from hon. members opposite dealt with voluntary quits. We were condemned because when we looked at it some of my officials said that if we studied it long enough, maybe we could make it work, but we could not consider the approach of opposition members. We recognize

that voluntary quitters should have greater penalties imposed on them than individuals who are laid off work.

When we brought in our last bill, we put in an amendment with a double disqualification from three to six weeks. Experience since that time has shown that some further action may well be called for. I doubt, however, that the Conservative approach, particularly the doubling of the penalty from six to 12 weeks, is the preferred approach. It is not that we did not look at it, but that we did not think it would do what they and we wanted it to do. It certainly needs more study than the half hour about which the hon. member for Gloucester (Mr. Breau) spoke today when apparently the Conservatives were considering their two-tier approach, whatever that approach may be—because although it is a two-tier approach, it has about 16 different applications depending on how you define dependants, and so on.

I listened to the Leader of the Opposition yesterday and I wondered if he really knows how parliament works. Certainly he showed no indication that he had any idea whatsoever. There was a time when you went out and did carolling at Christmas because you enjoyed it and it entertained your neighbours. We find the Conservatives going out carolling, but they always make certain they have a cameraman along to make sure they capture this effort. Even at Christmas they made sure of that.

I mention that primarily to show that the approach on this side is different. Legitimate and honest concerns have been expressed to me by the hon. member for South Western Nova (Miss Campbell), the hon. member for Compton (Mr. Tessier), and the hon. member for Rivière-du-Loup-Témiscouata (Mr. Gendron). They raised their concerns personally with me, they raised them in caucus, they raised them with my colleague and they raised them in the House. If we had made any changes or suggested that we could accommodate them, the opposition parties would have taken all the credit. Not one of the opposition members raised this as a particular issue. All of the complaints about the benefit rates and how these particular lines work against the benefits of people in their ridings were raised on this side. So we looked at the issue.

The first suggestion made to me by the hon. member for South Western Nova was to the effect that the minister should have the discretion to draw the lines so that they would be equal. One can imagine what kind of response that would have had from the opposition. We found the possibility of doing that in the legislation under a provision which would authorize a group—it will be a competent group composed of the representatives of the commission and of the department, Statistics Canada and outside consultants—to investigate complaints about the drawing of boundary lines for the specific areas where complaints are being put forward and to make recommendations on options for improving the situation. I could have done that in caucus. I could have let them make their complaints, I could have made that change and announced it. There is no gagging on this side. I could have said: "Okay, we will deal with that in caucus and I will make an announcement". Nobody was gagged. Everybody who had a comment to make, critical or not, got up and made his pitch. I listened and we made changes to accommodate their concerns. That is the way we make changes in this House.

Some hon. Members: Hear, hear!

Mr. Cullen: To my surprise—perhaps I should not say that I am surprised because I have never been one of those who thought that the Senate was ahead of this chamber, although it is certainly ahead of the opposition; but in this case they have been—the Senators recognized that we were coming up against the Christmas deadline, so they discussed this bill simultaneously with us. They have had our officials going over this bill clause by clause and over the philosophy of the legislation. Now they are prepared to deal with this piece of legislation. They have given it a tremendous amount of study. I have appeared before them myself in committee and, as I said, my officials have also done so.

The government's proposals in Bill C-14 are designed to deal with abuse and will not come to grips with this problem. That is the charge made by the opposition. The objectives of the amendments, as I have said during second reading, are to reduce work disincentives and to encourage workers to establish a more suitable work pattern. I continue to believe the amendments with respect to new entrants, re-entrants and repeaters in particular will contribute to the achievement of these objectives.

One of the submissions made at the first ministers' conference—I said this, or a discussion paper said this and I repeated it—stated:

> In the longer run, a conceptual review of the UI program, in the context of an evolving social security system is imperative, so that the aspect of "meeting needs" as distinct from the purer "insurance" aspect can be clarified.

I indicated to my provincial colleagues that we would prepare a paper on this subject and enter into full and comprehensive discussion with representatives of provinces and the private sector so that collectively we can help ensure that we have the best UI program to meet the challenges of the 1980s. That is a commitment I made to my provincial colleagues, and most assuredly that is a commitment I make to the House at this time.

I do not think I have to belabour the changes that were made. We did not use blunt instruments. Probably we could have found some simple way of doing this. We decided we should tax back, for example. Some people feel that if individuals receive $30,000 or $35,000 a year, they do not need unemployment insurance. We moved away from the insurance principle, and we are being criticized for doing that. The two-tier approach appears neither to adhere to insurance principles nor to income transfers. It does not take into account the income of individuals. If it is to be an income transfer, surely we should deal with the amount of money being earned by that individual. The two-tier system would be a disaster; it is not that I was being obstinate and could not accept it. It does not make good sense to bring in legislation at this time which does not adhere to insurance principles or income transfers.

This is a good bill. I appreciate the solid support I have had from my colleagues. We have made the changes that needed to be made. We listened to the hon. member for Churchill when he had a significant point to make, and we have made that change. We considered recommendations made not only by the NDP but also by the official opposition; we found them significantly wanting. We will still carry on a study and make this an even better bill, but heaven help us if we had accepted some of the suggestions made by members opposite.

Mr. Baker (Grenville-Carleton): Heaven will not help you now.

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have listened with real interest to the minister's defence of this bill, a bill which does not improve with the retelling and restating of it as the minister has tried to do in the last few minutes. I have also listened with some real interest to his defence of his flexibility, and I wonder where that flexibility was when he had the representations of the ten provinces before him on how this bill should be improved. I wonder where that vaunted flexibility was when he had representations from women's groups across this country as to how the penalty provisions could be improved. I wonder where that vaunted flexibility was when he listened to his colleagues, the hon. member for South Western Nova (Miss Campbell), the hon. member for Charlevoix (Mr. Lapointe) and the hon. member for Hochelaga (Mr. Lavoie). Where was the flexibility of which he spoke? His flexibility seemed to be limited to a few of the business groups which appeared before him, presumably during private sessions. That was the flexibility he showed. Then he came before us in final reading and asked us to take for granted the fact that the bill is a good one. Some of us did not think it was a good bill in the first place, and we do not believe it is a good bill at third reading.

● (1502)

I have listened to the rationalizations of the minister and other members of the government in defence of the bill, but surely there is very little which can be said in defence of the bill because of two major glaring weaknesses in it. The weaknesses will have an impact long beyond the initial blow to concerned individuals, and long beyond the adverse effect it will have on individual constituencies and even the people who represent them at the present time.

The minister did not deal with the two major weaknesses in any of his remarks, or when he went off on different tangents. Indeed, they are more than weaknesses. They seem to be deliberate moves by the government against two of the most vulnerable groups in Canadian society. The moves seem to be designed to weaken their tenuous position and to undermine the fragile base on which they exist in Canada. Despite what the minister said, and despite all his protestations, these two moves are against the have-not regions of Canada and against women.

In the first of these, the shellfire of the government is levelled against Atlantic Canada and eastern Quebec, in large measure. The provisions in the bill addressed to seasonal workers, entrants and re-entrants, will be much much onerous on the Atlantic and eastern Quebec regions than on any other parts of the country. The minister did not mention that when he put up his defence of the bill. I single out the Atlantic region because I know it well. I know what the costs will be, not just in dollar terms as applied to the bill, but also what it will mean in limited opportunities being further reduced, in entrenched difficulties being further aggravated, in the hopes and dreams of individuals already restricted being denied totally. The bill goes further than severing the lifeline which is often needed by individuals in Atlantic Canada. It has very negative implications in terms of the unity of the country. The minister did not address that because he and the Liberal party do not understand how the bill can impact on the unity of the country.

Some hon. Members: Oh, oh!

Miss MacDonald: Hon. members opposite laugh, but there are more dimensions to unity than those to which the government will ever address itself.

Mr. Breau: Did you listen to the hon. member for Carleton-Charlotte (Mr. McCain)?

Miss MacDonald: How often have hon. members opposite extolled their self-professed ability to hold the country together? How often have they paraded their pious virtue in this regard? As has been shown in this bill, their actions speak louder than their words. The bill is a perfect example of their lack of understanding of a region of the country continually is being set back by the social and economic policies of the government. It has a sorry record of reducing regional disparity in the country, but the bill will do much to worsen it. That affects not only the region concerned, but threatens the fabric of the entire country. The government does not seem to understand and realize that is being created, as it moves more and more against Atlantic Canada. It does not seem to realize, in making its moves, that the balance among the regions is further aggravated.

This measure has tremendous implication for the delicate equilibrium which must keep all regions of the country in proper balance. It is not original or new to say that eastern Quebec and the Atlantic region are the most disadvantaged regions in the country in terms of personal incomes and resource revenues. It is not new, and it is sad that one has to repeat it. The bill will mean a further loss of income in Atlantic Canada at a time when the provincial economies of that part of the country can ill afford it.

Mr. Breau: Not true.

Miss MacDonald: The hon. member for Gloucester (Mr. Breau) said that is not true. To his province it will mean a loss of revenue of $62.7 million. That is what it will mean to the provincial economy of New Brunswick. It will mean a loss of $13.1 million to Prince Edward Island; a loss of $52.2 million to Newfoundland; and a loss of $43.8 million to Nova Scotia.

That will amount to a total loss of approximately $171.8 million to that region of Canada. That is bad enough, but when it is added to the other steps the government is in the process of taking, the viciousness and vindictiveness of the situation become even more apparent. At the same time as this measure is going through, there are cutbacks in the equalization program, the very linchpin of confederation.

Mr. Breau: Another untruth.

Miss MacDonald: The Minister of Finance (Mr. Chrétien) will not say how much those cutbacks will be. He indicated that there will be cutbacks. He did not deny that in the House. The hon. member for Gloucester can look at the record. How much will the cutbacks amount to? Will they amount to $100 million or $150 million? Perhaps the hon. member for Gloucester can tell us. He knows they will come about. On top of that, there were cutbacks in the social services program. If the program had been carried out and put onto effect, the impact would have been most beneficial to Atlantic Canada. But it was abolished, it was cancelled unilaterally by the Minister of National Health and Welfare (Miss Bégin). As well, the minister cancelled the health resources fund where the Atlantic region had more difficulty than the prosperous regions in gearing up the machinery to bring to fruition certain programs on a 50-50 cost-sharing basis. Just as those programs were about to come into effect, the Minister of National Health and Welfare unilaterally cut them.

These four programs represent a cutback to Atlantic Canada of $500 million which provincial governments had been led to believe would be forthcoming. One can say, "What about the other parts of the country? Why are they not facing the same problem?" The reality of the situation is that the other parts of the country can absorb such a body blow more readily. When Atlantic Canada is hit with a body blow of this nature, it can become a death blow. That is what hon. members from Atlantic Canada should be aware of when they support a bill of this nature.

What the government seems to be saying in a callous, cruel, and calculated manner, is that one can take the most vulnerable part of the country and kick it while it is down. But in doing so, one makes it more difficult for that part of the country to bounce back. That is why the long-term effect will have an adverse impact on Canada as a whole. Holding the country together is no easy task; no one ever professed it would be. Certainly Joe Howe 110 years ago did not think it would be. But not even he, in his angriest denunciations of what Ottawa might do to Atlantic Canada, would have forecast a deliberate move by a federal government to undermine the economy of that region, to cripple it, to make it more dependent, to increase its dependency rather than its self-sufficiency, and to make it a continuing cause for concern to all of the other parts of the country.

• (1512)

Ontario, not the federal government, expressed that concern very well when it spoke on behalf of all the provinces against the measures in this bill, because its ministers could see what it would do to the country. Only Ottawa seems blind to the fact that its moves are undermining the very unique union in which we live.

I would say to you, sir, that the unity of this country has many dimensions. The government is attacking one of them in this bill, and that is one of the very weaknesses of the bill. The other, sir, is that the legislation we are addressing today will have its heaviest brunt against working women, women in the labour force.

I am delighted to welcome the new recruits in this House in the last couple of days to the cause of women's rights, including the hon. member for Yorkton-Melville (Mr. Nystrom) and the hon. member for Gloucester. I welcome their belated concern for the rights of women. I would say to them their expressions of concern on behalf of women in this House, while belated, are nevertheless welcome, and I trust we will hear from them on this subject on many occasions. I hope their conversion to this cause will continue. The hon. member for Yorkton-Melville, to my left, has undergone a conversion, but I must say, sir, that in sticking with the provisions of this bill the government has undergone no similar conversion with regard to women's rights in this country and no similar conversion with regard to the lot of working women.

In fact, sir, the government has a long history of policy and attitudes which discriminate against women, and this bill is one more of them, and the minister cannot dump his responsibilities. He ignored completely the representations made to him by the Advisory Council on the Status of Women and by the National Action Committee. What we hear instead is a continuing group of ministers going about this country blaming high unemployment on the entrance of women into the work force.

Who was the latest to do that? It was none other than the Prime Minister (Mr. Trudeau), speaking the other night in Toronto to a Liberal fund-raising dinner. Mind you, he was speaking to a Liberal fund-raising dinner, and when he put this proposition forward he knew only Liberals would accept it. That is why he gave this kind of message to the Liberal fund raising dinner, under the heading of unemployment.

Who was to blame for unemployment? The Prime Minister said "there has been a social revolution" in this country. "Women and young people are entering the labour force at a rate at which they've never entered it before." Why did he single out women and young people? Why does he have to be focusing continually upon women? Then he went on to say in a wonderfully patronizing manner, "I'm not knocking it, particularly the women." How long do women have to take that kind of patronizing comment from the Prime Minister of this country? How long does he intend to go on making such comments that it is women entering the labour force who are causing unemployment in this country? That is the kind of thing we hear, and that is the kind of intent that is embodied in this bill.

The fact that the government makes this kind of comment, and that the Prime Minister goes out and makes this kind of

derogatory statement, completely ignores that if it were not for the fact that so many women are working and so many women are in the working force, not only would the work force lose some of its most vital workers, but the ranks of the poor in this country would swell. But, sir, such facts as that do not intrude upon the government's attitudes, which remain, in spite of their fine words to the contrary, ambivalent or, even worse, squarely against the attainment of equal opportunity for women in this country.

The clauses in this bill pertaining to part-time workers, and to entrants and re-entrants to the labour force, contain exactly the intent the Prime Minister put forth when he spoke in derogatory terms of women entering the work force, equating that fact with increasing unemployment in this country.

If the minister has forgotten, perhaps I can remind him of what the National Action Committee said when it appeared before the committee. When Carole Swan presented the brief she said:

> —various policy and program changes that are being acted upon or enacted by the government are having the effect of driving out of the labour force those workers that they consider marginal and secondary, particularly women—

That is what the National Action Committee said to the minister, but did he take that advice or listen to those words when he was considering this bill?

We now find that when the government runs out of arguments that put the blame for unemployment on women who have jobs or who want jobs, it often acts as though women who lose their jobs are intent on abusing the unemployment insurance system. That is what the intent of this bill is all about.

Let me say to the minister that independent research has shown that the unemployment insurance scheme has not had a significant impact on women's participation in the labour force, either to encourage it or to discourage it.

An hon. Member: Name your source.

Miss MacDonald: I will name my source. It is a C. D. Howe Research Institute report entitled "Opportunity for Choice", and I would recommend it to the hon. member as it will give him some insight into what women in the work force do for this country. This institute studied unemployment insurance, it studies women workers, and it concluded by stating:

> When we removed the effect of trend factors and the influences of business cycle, the recent changes in our Unemployment Insurance Act have not had a different effect on female than on male unemployment rates. Recent high female unemployment relative to males can be attributed more to trend and cyclical factors than to unemployment insurance.

That is what the report said, yet the government persists in the mistaken belief that women do not need—

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

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on a point of order. I wonder if the hon. member would answer a question?

[Miss MacDonald.]

Mr. Knowles (Winnipeg North Centre): Her time has expired.

The Acting Speaker (Mr. Ethier): Order, please. This would require unanimous consent, and I take it there is not unanimous consent.

Some hon. Members: No.

Mr. Hugh A. Anderson (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, it is a great honour to participate in this debate a few days before Christmas, and it is certainly a great pleasure to me to see that the spirit of Christmas has pervaded the House. I suppose the hon. member for Kingston and the Islands (Miss MacDonald) can no longer be referred to as a "red Tory", but as a "green Tory".

An hon. Member: Ho, ho, ho!

Mr. Anderson: What we have heard from the hon. member for Kingston and the Islands is a proposition I never thought would be put forward in this House, that the unity of Canada depends on a greater amount of unemployment benefits to Canadians. If one followed that argument to its logical conclusion, if we spent $8 billion rather than $4 billion, we would have twice the unity in Canada that we have today. Mr. Speaker, that is patent nonsense.

● (1522)

Mr. Dionne (Northumberland-Miramichi): All of her speech was.

Mr. Anderson: The second assertion made by the hon. member for Kingston and the Islands was that Bill C-14 hits hardest those individuals in high unemployment areas who are least able to find employment. The reduction in UI benefit expenditures for Canada as a whole in the fiscal year 1979-80 is 14 per cent. If we look at the Atlantic provinces, we see that in Newfoundland and Nova Scotia the percentage reduction is less than for Canada as a whole. For example, the rate is 13.1 per cent in Newfoundland, and 12.5 per cent in Nova Scotia. In the case of New Brunswick it is equal to the national average, and in Prince Edward Island it is slightly over 15.2 per cent.

The point which has been missed by the hon. member for Kingston and the Islands and, with all deference, by the New Democratic Party as well, is that the distribution of funds to the employment strategy will more than compensate all provinces for the loss of funds attributable to the amendments in Bill C-14. For example, in 1979-1980, the $710 million employment strategy, together with the $300 million employment development fund, yields expenditures substantially in excess of the total Bill C-14 programmed savings for 1979-1980. In that period the funds which will be decreased in unemployment insurance amount to $655 million. If the same employment strategy figures are applied to 1980-1981, they are still estimated to be greater than the estimated Bill C-14 programmed savings which are estimated to be $935 million.

What I am saying, and what should be clear to all members, is that the savings are not being put into the general revenue of Canada to reduce debt and to reduce our spending, but are being redirected into job-creation programs and skill-training programs which will reduce unemployment.

Mr. Dionne (Northumberland-Miramichi): Don't expect the Tories to understand anything.

Mr. Anderson: In all sincerity, I expected the hon. member for Kingston and The Islands to look at the program and at least grant that jobs will be created as a result of funding from this program. I do not expect the New Democratic Party to understand it, because economics is not their strong forte, but I did expect some hon. members opposite would congratulate the government on its attempt not to maintain people on unemployment insurance, but to have these funds go into training people so they will be able to find permanent jobs. I also expected congratulations from that side for the fact that this money will go into direct job creation as opposed to having people draw benefits.

I consider it degrading for persons to have to stay at home and draw benefits. Instead of that, hopefully, we will have them out working. I would have hoped that the official opposition would have been at least honest enough to say that that is a more desirable stance than having an individual sit at home drawing benefits, which is a demoralizing process. After 35 meetings in committee, and after several days of debate in the House, it appears that there is no way that this reached the minds of the opposition. The only people who will probably realize this will be the people of Canada, and I suppose they are the ultimate judge. I am more than prepared, as a Liberal member of parliament, to go before the people of Canada next year and say that the Liberal party has a positive approach to unemployment, and that it is not putting out more money for unemployment insurance—

An hon. Member: You created it.

Mr. Anderson: —but putting out more money for the creation of jobs and the upgrading of skills.

In 1979-1980 the government employment strategy program will create employment for 638,000 individuals. This is far in excess of the 249,000 claimants who may be potentially prevented from establishing claims as a result of Bill C-14. That is a net gain, and surely it is a desirable gain when more Canadians will be working next year than are working this year. We hear in this House, day after day, about problems besetting this country, but what is not very often said is that, for example, in 1968 there were 7,514,000 Canadians working, and in May, 1978, we had 10,025,000 people working, which means an average number of jobs created per year under this government of 250,900, this during the toughest ten years in world history with regard to economics.

We have heard about the women and we have heard about the young, but what has not been said is that the percentage of population over 15 years of age has reached the highest employment level ever in our history. For example, in May, 1968, the percentage was 54.6, and in May, 1978, it was 57.1 per cent. The participation rate in 1958 was 57.1 per cent, and in May of 1978 it was 62.5 per cent. These are not unpleasant facts to bring up because they show that Canada has had a sustained growth over the years.

In the same period of time it is interesting to note that the Federal Republic of Germany, which is looked upon by many Canadians as a modern miracle and an example of hard work, growth and dedication, over the last eight years has had a negative growth. There are less people working in West Germany today than there were in 1970, but in Canada at the same time we have had an average growth of 250,000 people per year, in a population of less than 20 million, a very large growth ratio. However, do we ever hear anybody saying that this has been an era of sustained growth?

Instead, what we hear today from the hon. member for Kingston and the Islands is that in order to promote Canadian unity we should pay more money out in unemployment insurance benefits. If that is the Tory party's platform going into the next election, what will probably happen is what has happened over the last three elections.

I had the good fortune to receive a letter from the Conservative party today, and I would like to include some of it in my remarks. It is addressed to Hugh Anderson, member of parliament, House of Commons, Ottawa. It says, "I am sure that you are deeply concerned about the future of our country and recognize the need for a better government, a stronger economy and a new hope for our future. This is why I am writing to you today, to enlist your support for the Progressive Conservative Party of Canada."

Mr. Baker (Grenville-Carleton): It is probably signed by Keith Davey.

Mr. Anderson: Obviously the Conservative party has been putting up a brave façade if they are enlisting the support of the Liberal Party of Canada in the upcoming federal election. Incidentally, this letter is signed by Robert L. Stanfield, and he concludes his letter by saying that, "as party leader in the past three elections I personally know that a party can come close and yet lose by a mere handful of votes. Let us not let this happen next time. Help close the gap with your personal contribution to the PC Canada Fund today."

Some hon. Members: Hear, hear!

Mr. Anderson: We are all aware that the Conservative party has been an error-prone party, but if they are counting on my help in the next election I am afraid they are going to lose it by another few votes again.

● (1532)

An hon. Member: Oh, no!

Mr. Baker (Grenville-Carleton): We count on you as one of our greatest assets.

Mr. Anderson: I felt very important today to the Conservatives.

An hon. Member: You are doing great!

Mr. Anderson: There has been some debate by the Leader of the Opposition (Mr. Clark) regarding allocation of time and I think that all of us, no matter to which party we belong, would hope that the debate would go forward in a sane and intelligent manner so there would not have to be any allocation of time.

Let me quote from *Hansard* to show you the tenor of argument, and the psychology under which we have been operating and which has made it almost impossible to have a rational debate. As reported at page 2295 of *Hansard* for December 19, the hon. member for St. John's West (Mr. Crosbie) said:

> We realize there has to be restraint. We realize there has to be some restraint in the unemployment insurance program.

That obviously contradicts statements made by the hon. member for Kingston and the Islands. We know they straddle both sides of the fence, as the hon. member for New Westminster (Mr. Leggatt) so beautifully pointed out the other night, but let me continue.

The hon. member for St. John's West went on to say:

> That is why we are going to vote against them. I would not vote for them, anyway. I have no intention of voting for anything brought into this House by the hon. gentlemen opposite, no matter what they bring in, because the source from which it comes is polluted.

Some hon. Members: Hear, hear!

Mr. Kempling: That is right.

Mr. Anderson: Obviously, by the applause from the other side, the pitty-pat handclappers are in agreement with what was said by the hon. member for St. John's West. In other words, he said, and I will paraphrase him, that regardless of what was brought in on Bill C-14, he was not going to vote it; he would not vote for anything. By the way, he also made one other interesting statement: "I would not come into the House". How can one enter a debate, a serious debate on Bill C-14, when a future cabinet minister, if they get in—

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Now, you are talking.

An hon. Member: That is as close as he will ever get.

Mr. Anderson: A future cabinet minister among those who would aspire to be king.

Some hon. Members: Ah!

Mr. Anderson: Their aspirations have been the same for the last 15 years. The people of Canada have always put a banana peel under the rungs on the road to the climb for power. I suspect these same people will put another banana peel under their ascent to power—

[Mr. Baker (Grenville-Carleton).]

An hon. Member: Put it under his foot.

Mr. Anderson: I suppose it would be fair to say that we are entering a debate on a subject that affects hundreds of thousands of people across Canada. We have some idea of the mentality of that party when it says, "It doesn't matter what you say, we are going to vote against it." It must be frustrating to the Minister of Employment and Immigration (Mr. Cullen) to have listened to 34 committee hearings and to have listened to the debate in this House, and then to have the hon. member for St. John's West stand up and say—

Mr. Baker (Grenville-Carleton): And then have to listen to you.

Mr. Anderson: —regardless of what is said in this House, or what proposals are put forward, he is going to vote against them, and he will even walk out of the House.

An hon. Member: Especially after he supported it at second reading.

Mr. Anderson: There are very important clauses in Bill C-14. I believe that this House has studied this legislation in committee for a long period of time. But I, as a member of parliament from Vancouver Island, would rather see, if I had my druthers, the sort of development that I was able to announce on Monday in Nanaimo, where the federal government will be investing $12 million in the Duke Point project in conjunction with the province of British Columbia and with the Nanaimo Harbour Commission.

During the time of restraint the federal government has looked upon the creation of jobs in a positive manner. This particular project will draw approximately $150 million of private investment, with a contribution of $12 million from the federal government; $7 million from the provincial government, and $7 million from the Nanaimo Harbour Commission. This contribution of $150 million from the private sector will create 2,000 direct and indirect jobs.

Some hon. Members: Hear, hear!

Mr. Anderson: In my opinion this is the kind of rational progress and rational industrial development for which this government is noted. I would hope that with the moneys made available through savings through the unemployment insurance program, that more jobs are created all across Canada, not only in the maritimes or in Quebec, but right across Canada from coast to coast. Surely that is what a federal government is all about, a government with concern for all the country, not for one particular region or one particular province.

An hon. Member: Not if the Tory premiers have their way.

Mr. Anderson: I am very gratified that the federal government in its wisdom is able, during a time of restraint, to make available $12 million in order to help create 2,000 direct and indirect jobs. I congratulate the government on that strategy. I believe that by assisting the provinces, the municipalities or

other parties in this country, if we can stimulate private investment—and in this particular case it will be up to $150 million—then surely this is the way to go. The government of Canada in recent meetings have said, "It is the private sector that must create jobs, it is not the government." This is an example of where the private sector along with assistance from the federal and provincial governments, will have a tremendous impact that will directly affect the city of Nanaimo to the tune of 2,000 jobs.

There are several other things that perhaps do not get said, because when one talks about Bill C-14 or amendments to the Unemployment Insurance Act, one must take it in the context of what is happening throughout the entire economic sector of Canada. One cannot take it only in the context that this bill will be a reduction of funds to people who are unemployed in Canada. Instead one must ask the question, to what better use can we put those funds? I would suggest that the Minister of Employment and Immigration has taken the right step in attempting to break the unemployment cycle. Instead of putting more and more money into the program, as you put it into a beast with an unending appetite, you tend to break that cycle by having money go into more important areas.

The Acting Speaker (Mr. Ethier): The hon. member for St. John's East (Mr. McGrath).

Some hon. Members: Hear, hear!

● (1542)

Mr. James A. McGrath (St. John's East): Mr. Speaker, I can well understand why hon. members opposite would try to deprive me of the few minutes that are remaining. Having just listened to the speech of the hon. member for Comox-Alberni (Mr. Anderson), I can understand why closure has been introduced. A few more speeches like that and not even the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Maine) would vote for this bill. I am sure, when the hon. member speaks of his druthers, if the people of Comox-Alberni had their druthers, they would not send the hon. member here to make speeches like that.

There are only a few minutes remaining. Throughout this debate one important fact has been forgotten, that we are talking about the lives of people. This cruel bill will deprive 250,000 Canadians of the right to draw unemployment insurance. It will force a quarter million Canadians on to the welfare rolls of this country. There is nothing more can be said about this bad bill which was brought in by closure and forced through this House by closure. The final word on this iniquitous, unjust legislation will be left to the people of Canada when they vote this government out of office.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): It being 3.45 p.m., pursuant to order made Wednesday, December 20, 1978, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of Bill C-14, to amend the Unemployment Insurance Act, 1971.

The question is on the amendment (Mr. Rae). Is it the pleasure of the House to adopt the amendment?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Call in the members.

The House divided on the amendment (Mr. Rae) which was negatived on the following division:

(*Division No. 31*)

YEAS

Messrs.

Beaudoin	Firth	Nystrom
Benjamin	Janelle	Peters
Caouette (Villeneuve)	Knowles (Winnipeg North Centre)	Rae—10.
Faour		

NAYS

Messrs.

Abbott	Corriveau	Gendron
Allmand	Côté	Gillespie
Anderson	Crombie	Goodale
Andre (Calgary Centre)	Crosbie (St. John's West)	Grafftey
Andres (Lincoln)	Crosby (Halifax-East Hants)	Guilbault
Appolloni (Mrs.)	Crouse	Halliday
Baker (Grenville-Carleton)	Cullen	Hare
Beatty	Cyr	Hargrave
Béchard	Danson	Harquail
Bégin (Miss)	Daudlin	Hees
Blaker	Dawson	Herbert
Blouin	De Bané	Holt (Mrs.)
Boulanger	de Cotret	Hopkins
Breau	Demers	Horner
Buchanan	Dionne (Northumberland-Miramichi)	Howie
Bussières	Douglas (Bruce-Grey)	Jarvis
Caccia	Duclos	Johnston (Westmount)
Cafik	Dupont	Kaplan
Campagnolo (Mrs.)	Ellis	Kempling
Campbell (Miss) (South Western Nova)	Elzinga	Lachance
Caron	Ethier	Lalonde
Chrétien	Fleming	Lambert (Edmonton West)
Clark (Rocky Mountain)	Foster	Lamontagne
Clermont	Francis	Landers
Collenette	Fraser	Laniel
Comtois	Friesen	Lapointe
Condon	Gauthier (Ottawa-Vanier)	La Salle
Corbin		Lavoie
		Leblanc (Laurier)

Messrs.

LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacKay
Macquarrie
Maine
Malone
Marceau
Marchand
Martin
Mazankowski
McCain
McCrossan
McGrath
McIsaac
McKinnon
McRae
Milne
Muir
Murta
Nicholson (Miss)
Nowlan
O'Connell
Ostiguy
Ouellet
Paproski
Parent
Parker
Patterson
Pearsall
Penner
Philbrook
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Rompkey
Rooney
Roy (Timmins)
Sauvé (Mrs.)
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Siddon
Stanfield
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Whiteway
Woolliams
Yanakis
Yewchuk
Young—151.

● (1602)

Mr. Speaker: I therefore declare the amendment lost. The question is upon the motion of Mr. Cullen. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Shall we proceed with the recorded division at this time?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Cullen) which was agreed to on the following division:

(*Division No. 32*)

YEAS

Messrs.

Abbott
Allmand
Anderson
Andres (Lincoln)
Appolloni (Mrs.)
Béchard
Bégin (Miss)
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
Dawson
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Duclos
Dupont
Ethier
Fleming
Foster
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Horner
Johnston (Westmount)
Kaplan
Lachance
Lalonde
Lamontagne
Landers
Laniel
Lapointe
Lavoie
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacEachen
MacFarlane
Maine
Marceau
Marchand
Martin
McIsaac
McRae
Milne
Nicholson (Miss)
O'Connell
Ostiguy
Ouellet
Parent
Pearsall
Penner
Philbrook
Pinard
Portelance
Prud'homme
Railton
Rompkey
Rooney
Roy (Timmins)
Sauvé (Mrs.)
Savard
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Yanakis
Young—104.

NAYS

Messrs.

Andre (Calgary Centre)
Baker (Grenville-Carleton)
Beatty
Beaudoin
Benjamin
Caouette (Villeneuve)
Clark (Rocky Mountain)
Crombie
Crosbie (St. John's West)
Crosby (Halifax-East Hants)
Crouse
de Cotret
Ellis
Elzinga
Faour
Firth
Fraser
Friesen
Grafftey
Halliday
Hare
Hargrave
Hees
Howie
Janelle
Jarvis
Kempling
Knowles (Winnipeg North Centre)
Lambert (Edmonton West)
La Salle
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
Macquarrie
Malone
Mazankowski
McCain
McCrossan
McGrath
McKinnon
Muir
Murta
Nowlan
Nystrom
Paproski
Parker
Patterson
Peters
Pigott (Mrs.)
Rae
Schellenberger
Scott (Hamilton-Wentworth)
Siddon
Stanfield
Whiteway
Woolliams
Yewchuk—57.

● (1612)

Mr. Speaker: I therefore declare the motion carried.

Bill read the third time and passed.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

CHRISTMAS ADJOURNMENT

Mr. Speaker: Order, please. Pursuant to the order made earlier this date, the House will now revert to motions for the consideration of the motion standing in the name of the Deputy Prime Minister and President of Privy Council (Mr. MacEachen).

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council) moved:

That, when the House adjourns following the disposal of the third reading stage of Bill C-14, an act to amend the Unemployment Insurance Act, 1971, it shall stand adjourned until a time to be fixed by Mr. Speaker, after consultation with the government, when the House may meet for the purpose of dealing with any subsequent proceeding on the said bill or the giving of Royal Assent to the said bill and any other bills then ready for royal assent:

That after the disposal of such proceedings or in the event the House does not meet for those purposes, the House shall be adjourned or stand adjourned, as the case may be, until January 23, 1979, provided that at any time prior to that date if it appears to the satisfaction of Mr. Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or Deputy Chairman of committees shall act in his stead for the purpose of reconvening the House.

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

Some hon. Members: Agreed.

Mr. Speaker: May I indicate therefore that the House will stand adjourned, the ordinary course under the provisions of this order, and presumably will await the consideration of the bill by the other place, following which it will be recalled by the Chair later this day or at some other time, depending on Their Honours in the other place, if the House moves to adjourn today, pending the call of the Chair for the purposes outlined in this adjournment order.

The first thing I wish to say to the House now is that it would give me great honour and pleasure to be able to receive members and their usual guests in Room 16.

Some hon. Members: Hear, hear!

Mr. Speaker: That is the situation at the moment, subject only to a very important intervention by the hon. member for Northwest Territories (Mr. Firth).

Mr. Wally Firth (Northwest Territories): Thank you, Mr. Speaker. On behalf of one of my favourite constituents who happens to live at the North Pole and goes by the name of Santa Claus, I wish everyone in the House here today, and all people in the land, a very happy Christmas, good health, and happiness in the new year.

Some hon. Members: Hear, hear!

Some hon. Members: Ho, ho!

Mr. Speaker: The House stands recessed until the call of the Chair.

At 4.22 p.m. the sitting was suspended.

Royal Assent

• (2212)

[*Translation*]

SITTING RESUMED

The House resumed at 10.05 p.m.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-14, an act to amend the Unemployment Insurance Act, 1971, without amendment.

ROYAL ASSENT

[*Translation*]

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

Government House
Ottawa

December 22, 1978

Sir:

I have the honour to inform you that the Honourable Louis-Philippe Pigeon, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 22nd day of December, at 10.05 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

And being returned:

[*English*]

Mr. Speaker informed the House that the Honourable Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-14, an act to amend the Unemployment Insurance Act, 1971.—Chapter No. 7.

Bill C-33, an act to authorize the granting of an immediate annuity to the Honourable Mr. Justice Donald Raymond Morand.—Chapter No. 8.

Royal Assent

Bill S-5, an act to amend the Canada Business Corporations Act—Chapter No. 9.

Bill C-34, an act to amend the Criminal Code—Chapter No. 10.

Bill S-8, an act to revive J.H. Poitras & Son Ltd.

Pursuant to order made earlier this day, this House stands adjourned until Tuesday, January 23, 1979, at two o'clock p.m.

At 10.24 p.m. the House adjourned until 2 p.m., January 23, 1979, pursuant to special order made this day.

HOUSE OF COMMONS

Tuesday, January 23, 1979

The House met at 2 p.m.

● (1405)

[*English*]

GOVERNOR GENERAL

PRINTING OF SPEECHES AT INSTALLATION OF EDWARD SCHREYER

Mr. Speaker: May I suggest that the speeches of His Excellency the Governor General and of the Right Hon. Prime Minister, given during yesterday's ceremonies, be appended to this day's *Hansard*.

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

* * *

[*Translation*]

VACANCY

DOLLARD—JEAN-PIERRE GOYER BY RESIGNATION

Mr. Speaker: I have the honour to inform the House that I have received a communication advising me of the following vacancy which has occurred in the representation, namely the hon. Jean-Pierre Goyer, C.P., member for the electoral district of Dollard, by resignation. Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issue of a writ of election for the said electoral district.

* * *

[*English*]

HOUSE OF COMMONS

LOCATION OF TV CAMERAS IN CHAMBER

Mr. Speaker: As part of the ongoing development of the television installations in the chamber, two camera positions, one on each side of the House, have now been changed to remote control operation. Members will notice the cameras are in different positions relative to the curtains and the sides of the House.

Perhaps hon. members will direct their attention to these installations over the next few days so that we can determine which of the two positions is better for the general conduct of business and decorum in the chamber. We hope, of course, to go on and in time to move the other two cameras into remote control from the mezzanine in accordance with the original plan.

ROUTINE PROCEEDINGS

[*English*]

RAILWAYS

REQUEST RAIL LINE ABANDONMENT BE DEFERRED—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43, concerning the abandonment of various railway lines in the prairie provinces, an example of which is the unseemly and unjustifiable haste regarding the shutting down of the line from Shellbrook to Spiritwood.

I would move, seconded by the hon. member for Meadow Lake (Mr. Cadieu):

That this House request all abandonments to be held up until the first of September so that further consideration may be given to the argument of the residents in the areas who are so directly and unfairly affected.

Mr. Speaker: Pursuant to Standing Order 43, the unanimous consent of the House is required before a motion can be introduced for debate. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRANSPORT

GRAIN HANDLING—RECOMMENDATIONS OF HALL COMMISSION—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the provisions of Standing Order 43.

In light of the fact that the Minister of Transport has now embraced the report of the Prairie Rail Action Committee which repudiates the Hall commission report, and has endorsed the decision of the Canadian Wheat Board to purchase hopper cars at the expense of the western grain producers, I would move, seconded by my hon. friend from Qu'Appelle-Moose Mountain (Mr. Hamilton):

That this House register its dismay and opposition to the policies of this government undermining the recommendations of the Hall Commission Report on Grain Handling and Transportation and the saddling of the western grain producer with the cost of grain transportation under questionable use of the Canadian Wheat Board Act.

Mr. Speaker: Such a motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RAILWAYS

RECOMMENDATIONS OF PRAC ON RAIL LINE ABANDONMENT—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter as urgent and pressing as my two colleagues have raised concerning the Prairie Rail Action Committee report which recommends the abandonment of 1,416 miles of railway line in western Canada.

In view of the fact that in the 1974 election campaign the Prime Minister (Mr. Trudeau) and the Minister of Transport (Mr. Lang) promised not to abandon rail service on branch lines as long as elevator companies considered that continued rail service was warranted, and since the PRAC report recommends the abandonment of 38 sections of rail line which the prairie wheat pools want maintained in the basic network, I ask leave to move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of Transport and the Prime Minister live up to their promise and reject the Prairie Rail Action Committee's abandonment recommendations.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

BRITISH NORTH AMERICA ACT

REQUEST GOVERNMENT NOT AMEND LEGISLATION WITHOUT CONSULTING PROVINCES—MOTION UNDER S.O. 43

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

Considering the impending federal-provincial conference to be held next month in Ottawa and considering the great importance given to the constitutional debate, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That, should the federal-provincial conference of first ministers on the constitution fail, the House of Commons demand that the government give its firm assurance that it will not act unilaterally to amend certain sections of the British North America Act.

[Mr. Speaker.]

Mr. Speaker: Pursuant to Standing Order 43, the introduction of such a motion can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

REMARKS OF HON. MEMBER FOR LABELLE—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion on a matter of urgent and pressing necessity.

The hon. member for Labelle (Mr. Dupras) has stated that the government is not doing enough for business in this country, and that government policies and programs are confusing businessmen. I therefore move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That the government refer the subject matter of the hon. member's remarks to the Standing Committee on Finance, Trade and Economic Affairs.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

URBAN AFFAIRS

UNIVERSALITY OF RRAP—MOTION UNDER S.O. 43

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, I rise under the provisions of Standing Order 43.

The government has proclaimed the Residential Rehabilitation Assistance Program to be universal but in a memorandum to the minister of housing and urban affairs the president of CMHC stated in part:

—neither the industry nor the municipal delivery system nor the present and projected RRAP budget permit the operation of a universal system.

I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House direct the Minister of State for Urban Affairs to make a statement on motions in order to clarify his so-called universal program, so that cynical observers will not interpret his inadvertent misrepresentation as crass pre-electioneering.

Mr. Speaker: The presentation of such a motion for debate at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL UNITY

REMARKS OF OPPOSITION MEMBERS—MOTION UNDER S.O. 43

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I would like to move a motion under Standing Order 43.

Given the fact that there is a provincial government in Quebec engaged in a semantic campaign to persuade Quebeckers to vote to break away from Canada, I move, seconded by the hon. member for Vaudreuil (Mr. Herbert):

That the Leader of the Opposition and his colleague from Rosedale be asked to refrain from further comment on sovereignty association or any other similar semantic gimmick—

Some hon. Members: Order.

Mr. Speaker: Order, please. The hon. member for Moose Jaw (Mr. Neil).

* * *

RAILWAYS

PUBLIC HEARINGS ON RAIL LINE ABANDONMENT—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I rise, under the provisons of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the serious effect that the recommendations of the Prairie Rail Action Committee will have on many producers and communities on the prairies, and in view of the fact that there is no requirement that the Railway Transport Committee hold public hearings when the railways apply to abandon lines, I move, seconded by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton):

That the Minister of Transport direct the Railway Transport Committee to give notice of and hold public hearings in all cases where requests are made by affected municipalities, towns and villages.

Mr. Speaker: Such a motion can be introduced for debate at this time, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

FOREIGN BORROWINGS TO SUPPORT CANADIAN DOLLAR

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Clark: Mr. Speaker, my question is to the Prime Minister. The government has announced that it is going to Japan for its sixth foreign borrowing in 14 months to support the Canadian dollar.

I wonder if the Prime Minister can tell the House why, since this device has now failed five times, the government is convinced it is going to work this time.

● (1415)

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, we have announced that we will borrow in the foreign market. I think this has been well received by Canadians. There are enough savings in Canada to meet some of our financial requirements and in order to supplement the flow of capital we have borrowed abroad, as has been the case for many years. We are just following that pattern. We are not the first ones to borrow from Japan; the Americans were there a few months ago.

Mr. Clark: I regret we cannot bring the Prime Minister's attention to economic questions, but perhaps he will attempt to answer this one.

Will the Prime Minister tell the House of Commons why the government in this case is going to Japan with this offer? Will he tell the House whether offers were made in any other country and were turned down; and if his answer to the question has to do with rates of interest, will he tell us whether an offer was made in Switzerland?

[*Translation*]

Mr. Chrétien: Mr. Speaker, we have had opportunities to borrow throughout the world and we have decided to borrow on the Japanese market at this time because we believe it is the most favourable market for the conditions we wanted to obtain. And I also want to report to the House and to the Leader of the Opposition that we did have offers from several other banking countries and that Canada's credit is excellent throughout the world.

[*English*]

Mr. Clark: Mr. Speaker, I will direct my next question to the Prime Minister or to his delegate on economic questions.

During the period of these borrowings abroad, designed to prop up the Canadian dollar, the value of the Canadian dollar has dropped by at least six cents. I wonder if the Prime

Minister, the Minister of Finance, the minister responsible for economic policy, or anybody else over there, can tell the House of Commons what projections they have in the government as to what the value of the Canadian dollar would be now had those borrowings not been resorted to?

Mr. Chrétien: Mr. Speaker, I think the Leader of the Opposition would be well advised to delegate somebody else on external affairs policies.

Some hon. Members: Hear, hear!

Mr. Chrétien: I think the question put by the Leader of the Opposition is purely hypothetical. The Canadian dollar is floating in the marketplace. The level of our dollar is established by the marketplace. I think that Canadians have benefited much from the fact that the Canadian dollar is now more competitive, because in 1978 we had a record year in trade and we hope we will keep having the benefits of the devalued dollar in the next few months.

INTEREST RATE POLICY OF GOVERNMENT

Mr. James Gillies (Don Valley): Mr. Speaker, my question is to the Minister of Finance.

Given the fact that our unemployment rate is over 8 per cent, our inflation rate is over 8 per cent, and now very reputable forecasters say that the real growth in the economy will be less than 3 per cent, will the government change its high interest rate policy, which everyone says is taking us into a serious recession, reverse itself and move to a low interest rate policy?

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the monetary policy is established by the governor of the Bank of Canada. When he raised interest rates, he stated his reasons for doing so in a press release, and I approved his decision. Mr. Speaker, we have taken these measures because Canada is a new country which imports capital from foreign countries, because we have a trade balance problem and we have to import capital. So we must have competitive interest rates.

[*English*]

Mr. Gillies: Perhaps the Prime Minister would like to delegate responsibility for finance as well.

Is the Minister of Finance seriously suggesting that the governor of the Bank of Canada does not have to consult, and that the Minister of Finance does not have responsibility for the monetary policy of this nation? Is this what he is trying to tell the House? The act is very clear: the Minister of Finance has full responsibility.

I ask him again, given the fact that between 1971 and 1973 the short-term interest rate differential between Canada and the United States was in favour of Canada, and the dollar appreciated, does he know if there are some studies which suggest that the Canadian dollar would have floated substantially differently than it is if we had a low interest policy, which is what this country needs at this time?

Mr. Chrétien: I think the hon. member forgot to say to the House that in the summer inflation dropped from 9.8 per cent to 8.4 per cent last month, that a year ago unemployment stood at 8.5 per cent and now it is down to 8.1 per cent, and that despite the highest increase in the participation rate last year in the labour market, we have created 429,000 new jobs.

Some hon. Members: Hear, hear!

Mr. Chrétien: I think that the performance of the Canadian economy in 1978 has been a good one, if you take into account the difficulties which all countries in the world are facing at this time.

• (1420)

Mr. Gillies: Mr. Speaker, the Minister of Finance likes to forget that compared to Germany, Japan and Switzerland we have rotten economic performance.

Some hon. Members: Oh, oh!

Mr. Gillies: I should like to ask the minister—

Mr. Speaker: Order, please. Does the hon. member have a supplementary question?

An hon. Member: Yes, he does.

Mr. Gillies: My question to the minister is this: given the fact there is great controversy in this country among the economics profession and among the advisers of all governments, will the Minister of Finance arrange for a reference to be made to the Standing Committee on Finance, Trade and Economic Affairs, which reference was requested during the Christmas recess?

It is fundamental to the economic prosperity of this nation during the next few years to solve the question of whether we should be following the interest rate policy followed by the govenrnment at the present time and whether it is an appropriate policy. A request was made of the committee chairman and he said that he did not have the terms of reference for it. The terms of reference should be given, so that we can call on the governor of the Bank of Canada and other experts to find out what the policy should be in the country at this time.

Some hon. Members: Hear, hear!

Mr. Chrétien: Mr. Speaker, I asked the governor of the Bank of Canada to appear before the committee many times last year. When I read the report, I was very impressed by his answers and much less impressed by the quality of the questioning by the opposition.

Some hon. Members: Hear, hear!

RAILWAYS

POLICY ON RAIL LINE ABANDONMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the right hon. Prime Minister: it is of great concern to western farmers.

In 1974, in the context of an election campaign then ongoing—more precisely, on June 14—the Prime Minister promised western farmers the Government of Canada would not abandon rail service branch lines as long as elevator companies considered that continued rail service was warranted. That was the promise of the Prime Minister.

Considering that last week the Prairie Rail Action Committee report recommended abandonment of 38 sections of rail line, among others—this fits precisely within the framework promised by the Prime Minister in June of 1974—will the Prime Minister assure the House that these lines he committed himself to in 1974 will be preserved in 1979?

[*Translation*]

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the measures this government has been taking since 1974 to improve the grain transportation system in the west are very important. Just think of the $700 million which will be spent in the next six years to improve the rail system in the west.

As for the PRAC recommendations, Mr. Speaker, a report was published about ten days ago asking in fact for the abandonment of some lines, but it is only a recommendation and it is the responsibility of the Canadian Transport Commission to decide whether those railway lines will be abandoned or not.

[*English*]

Mr. Broadbent: Mr. Speaker, my supplementary question is directed to the Prime Minister: I hope he will answer it. It is not a question which requires detailed knowledge; it simply requires the Prime Minister to reiterate today the commitment he made in 1974.

In 1974, the Prime Minister promised western farmers the government would maintain the 38 lines which were not all concerned with the PRAC recommendation but which fit into his criteria. Will the Prime Minister now reassert that commitment, to ensure that western farmers receive today what was promised then?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. Leader of the New Democratic Party had listened to the answer, he would know and he would not have to repeat the question. The commitment made has been honoured and respected until now.

Mr. Diefenbaker: Nonsense.

An hon. Member: It certainly has.

Mr. Trudeau: The right hon. member speaks for himself, but I am talking to the Leader of the New Democratic Party.

Mr. Diefenbaker: I know, and I speak to you.

Mr. Trudeau: I think we have the great expert on nonsense talking nonsense at this point.

Mr. Diefenbaker: It is a complete deception.

Mr. Trudeau: Mr. Speaker, I realize you might want to recognize the right hon. member for Prince Albert. I understand this morning he had a tough time with the hon. member for Rosedale, but that is no reason to take it out on me.

Some hon. Members: Hear, hear!

Mr. Trudeau: We have honoured that commitment. Now we have a respectable body which is making a contrary recommendation.

Some hon. Members: Oh, oh!

• (1425)

Mr. Trudeau: The parliamentary secretary is perfectly correct in saying they will be looked at by the CTC and acted upon by it.

Mr. Broadbent: Mr. Speaker, I listened to the parliamentary secretary with almost as much attention as I listen to the Prime Minister's answers.

The Minister of Transport cannot be here today because of other commitments—and I understand that—but last week he said in Saskatchewan that the PRAC recommendations as a whole would be referred to the CTC for consideration. I ask the Prime Minister whether he would not distinguish between those lines which he said should be preserved and those which are still contentious, and simply refer the seven or eight lines that are outside his commitment to the CTC for consideration. Will the Prime Minister not now commit himself, in 1979, to the western farmers as he did in the context of an election promise in 1974?

Mr. Trudeau: Mr. Speaker, we are not changing any policy. I am just saying that the CTC has the right and the duty to pronounce itself upon these recommendations and we will see what its answer is.

* * *

[*Translation*]

WELFARE

INQUIRY WHETHER GOVERNMENT AGREED WITH PROVINCES CONCERNING AMENDMENTS TO FAMILY ALLOWANCES ACT

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

Sometime in December, the Canadian parliament passed a bill amending the Family Allowances Act. At the time, the Minister of National Health and Welfare told us that Quebec families would, on the whole, derive greater benefits from family allowances.

I have here a press release issued by the Quebec health minister in which he states that family allowances paid by the federal government will decrease by 22.1 per cent. Here is my question: Before the bill was passed by the Canadian parliament, did the minister have talks with the health minister of Quebec, and the other provinces, naturally, and did they agree with the amendments proposed to the law? Furthermore, is it true that Quebec will receive 22.1 per cent fewer benefits from federal family allowances?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, the provinces were advised of the changes in the family allowances which are of federal jurisdiction by myself as soon as the government took its decision at the end of August. I met Dr. Lazure at the federal-provincial conference held in Toronto, but on the night when I called him on the phone to advise him of the change, he told me that he envied the fact that I was able to get my government to accept the change which he was unable to do with his own government. The January cheque mothers have just received is accompanied by a particularly nasty note saying they are losing money. He forgot to say that a new cheque will be added to the monthly family allowances cheque which does, I admit, give $12 to $15 less for the first child, for instance. However, the new cheque will give an extra $60 million net to Quebec mothers in 1979.

Mr. Lambert (Bellechasse): Mr. Speaker, I thank the minister for that information.

Could I ask her to issue a release to give more specific details to family allowances recipients since in many cases referred to me people wonder if they have to file a tax return to take advantage of the tax credit even though they do not pay any income tax. It is urgent, in my opinion, that the situation be cleared up so that there be no useless controversy and that Canadian and Quebec families are not made to believe that they will sustain such a large decrease.

Miss Bégin: That is a very good question, Mr. Speaker. I would now like to inform all hon. members in this House that an announcement is being aired over the radio across Canada as well as published in the country's weeklies and ethnic papers, and which will be presented under a different form on television next week, telling mothers: That piece of paper you received with your January cheque, read it, do not throw it away, for that thirteenth cheque is not automatically issued, you have to ask for it and of course it will be paid to most mothers. I will indeed keep on informing hon. members on the program. We also have information kits available to hon. members.

[Mr. Lambert (Bellechasse).]

• (1430)

[*English*]

I would also like to add something which I think is pretty important. All local service groups—women resource centres, citizens' groups, poverty groups, native mothers' groups, women's groups—are welcome to apply to the ministry of health and welfare for small amounts of money in the form of contacts for services in order to help canvass neighbourhoods and to help women fill out these forms, if they have never before filled them out.

[*Translation*]

Mr. Lambert (Bellechasse): I would like to ask a supplementary question. Mr. Speaker, may I ask the minister if it would be possible to add the following to the information already supplied: that it is essential, according to the law, to file an income tax return in order to be eligible for the tax credit, because people are all mixed up about that. At the same time, they could be told about the date when they can expect their tax credit. Would it be in the middle of the year, at the end of the year, at the beginning of the year or immediately after they have made their request? Of course, if that amount is to be added to their family allowances, they must receive their cheque; but are they going to receive it?

Miss Bégin: Next week, every Canadian mother will receive an income tax return form. All of them, even those who do not usually fill an income tax return, will have to do the following: supply all information relating to their identification and the amount they request, write N/A on every other blank, sign the form and send it to Revenue Canada. Beginning the third week of March, cheques will be sent to families on a first come first served basis at the time of income tax returns.

* * *

[*English*]

GOVERNMENT EXPENDITURES

POLICY RESPECTING EX GRATIA PAYMENTS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is to the President of the Treasury Board regarding the government's policy on ex gratia payments which, as he well knows, implies no liability or receipt of value for services but these payments are made on the basis of benevolence or some other consideration.

In view of some very large payments set out in this year's public accounts, has there been a change in policy to justify, for example, a payment of $40,000 to McGregor Travel in Montreal, which was the catalyst in the Estey inquiry into Air Canada, or some $2,300,000 for land expropriation at Mirabel in apparent circumvention of the expropriations act? Could the minister give us the reason, if there is a difference in policy?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, it is my understanding that the policy still remains as stated by the hon. member, and each individual case is reviewed by the full Treasury Board before a decision is taken.

Mr. MacKay: Mr. Speaker, I appreciate the minister's answer. Perhaps he would look into two other incidents at his convenience. One is the payment of $87,000 to Olympia and York Developments for guard services at a building here in Ottawa, and the other is the payment of $500,000 to Ste. Marie Air Services for alleged loss of earnings resulting from the opening of Mirabel airport.

It seems to me that the minister should be interested in checking into these matters which contrast strangely with the definition of ex gratia payments and the usual amounts paid under the circumstances.

Mr. Buchanan: Mr. Speaker, I will be happy to consider the representations of the hon. member and look into these two particular cases.

* * *

HEALTH AND WELFARE

MINISTER'S MEETING WITH MARITIME INDIAN CHIEFS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is to the Minister of National Health and Welfare. The minister has reneged on her promise to meet with the maritime chiefs and has decided to meet with the National Indian Brotherhood and one representative from each province. The fact remains that the very particular problems which the maritimes have still remain unresolved.

Can the minister tell the House if she will meet with the maritime chiefs, who have come to Ottawa again, in the hope that she will not insult them again and that this time she will sit down with them—

Some hon. Members: Oh, oh!

Mr. Yewchuk: —to discuss the very serious concerns they have with regard to health care for their people in the maritime provinces?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I am very concerned about the quality of assistance given to Indians in our country, as I am sure all members are.

I do not think that I have ever insulted the maritime chiefs. I told them at the end of the parliamentary meeting before Christmas here in Ottawa that the next time I had occasion to go to the maritimes I would meet with them. I made this suggestion in order to save them the cost of transportation. I will be holding conferences in Moncton, Sydney and Charlottetown only on February 8 and 9.

I was very concerned when I heard the report by the CBC and also the questions by the hon. gentleman to the effect that there were deaths caused by the policy of my department. I immediately sent a telex inviting the people concerned from across the country, because it is a problem throughout Canada and not just in the maritimes. The meeting will be tomorrow afternoon. I think it is more important to have this meeting and avert any misunderstanding now, rather than waiting two more weeks when I will be visiting the maritimes. I am sure the hon. member will understand this.

Of course the maritime chiefs will be invited. The National Indian Brotherhood is the body which is organizing the meeting. I do not know exactly who will be present, but the door is open.

Mr. Yewchuk: Mr. Speaker, in view of the widespread opposition to the minister's new policy of cutbacks in Indian health services which was imposed without prior consultation with the people involved, would the minister agree to postpone this policy for six months in order that she may consult with the Indian people fully before she makes a final decision on the implementation of this inhuman policy?

Miss Bégin: Mr. Speaker, I think that the hon. member should swallow the words "inhuman policy", because as far as I am concerned he is in the potatoes.

We are talking about guidelines, which means the rules of the game, to determine what can be spent, for what reason, and for whom. We will be using public funds and we would like the money from these expenditures to go to Indians who need it. The hon. member should know very well what we are talking about.

Further to my telex, no cases of abuse have been reported to me. At the meeting tomorrow I will ask the various leaders if they know of any cases of abuse, because I would like to look into each matter personally.

* * *

[*Translation*]

NATIONAL REVENUE

MINISTER'S REMARKS ON CANADIAN TEXTILE INDUSTRY

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of National Revenue. In view of the importance of the textile industry for all of Canada and specifically for the province of Quebec, I would like to know why he stated, while he was abroad, that all textile plants here in Canada should be closed and the production of textiles left to countries where labour is cheaper?

[*English*]

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, I think that the hon. member's information came from a distorted press résumé.

Some hon. Members: Oh, oh!

Mr. Abbott: I simply stated at the press conference that we had over 200,000 people employed in the textile industry and that there was no way in which we could have over 65 per cent of our imports coming from abroad, and increase that amount, without jeopardizing the industry.

Having made that point, I said that academically it could be conceived that perhaps other people could produce textiles for the Canadian consumer cheaper than we could. I went on to say that this was unacceptable to us, but unfortunately the only part of my comments which was reported, that I saw, in this context was that I had suggested that perhaps our textile business should be shut down.

Mr. Grafftey: Mr. Speaker, the minister is correctly quoted as saying "and we should leave the field to others who can produce the commodity more cheaply". Does the minister feel that if other countries can produce the product more cheaply than Canada, we should shut down all our industries?

Mr. Abbott: Mr. Speaker, that is not my position at all. I tried to explain in the first answer that I proposed it as hypothetically possible that people could argue that those nations producing such products more cheaply, should do so and let us produce something else. I went on to emphasize that this was not our policy and that it would not be our policy.

[*Translation*]

Mr. Grafftey: Mr. Speaker, my supplementary question is directed to the Minister of Finance. Since the minister has repeatedly stated in the House that the textile industry was doing well in Canada, and since he agrees with the Minister of National Revenue's statement abroad that the production of textiles should be left to other countries where labour is cheaper and that Canadian plants should be closed, what does this all mean?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I do not think that the Minister of National Revenue made a statement to that effect. What he said, rather, and which is also extremely important, was that developed countries must allow developing countries, whenever possible, to expand in such areas. Our policy in Canada is to allow the import of certain quantities of commodities made in developing countries, while keeping a share of the market for our own producers. To my mind, this is not an overly restrictive policy, as it protects Canadian producers while keeping a good share of the market for products made in developing countries.

UNEMPLOYMENT INSURANCE

OVERPAYMENTS OF BENEFITS—MINISTER'S POSITION

Mr. Maurice Dupras (Labelle): Mr. Speaker, my question is directed to the Minister of Employment and Immigration and concerns the overpayments made to 6,000 unemployed in the province of Quebec because of an administrative error and a false interpretation of section 37 of the Unemployment Insurance Act. Is the minister willing to cancel the claim he sent to at least 15,000 Canadians, including 6,000 Quebeckers?

• (1440)

[*English*]

Hon. Bud Cullen (Minister of Employment and Immigration): No, Mr. Speaker. We had indicated that there was an overpayment as a result of an error. We are contacting each individual person who received the overpayment. We are looking at each case sympathetically to ascertain those that we can write off or abandon.

We are also indicating in other areas that the collection procedure will be dealt with as sympathetically as possible. I do not think we have authority under the legislation simply to write off an overpayment of that size.

* * *

CONSUMER AFFAIRS

MONITORING OF SALES TAX CUT TO ENSURE CONSUMERS BENEFIT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I put a question to the Minister of Consumer and Corporate Affairs? An hour or so ago the Consumers Association of Canada sent a letter to the Minister of Finance and to the Minister of Consumer and Corporate Affairs saying that the 3 per cent manufacturing sales tax cut announced in the last budget had not been passed on to consumers. Indeed, some consumer prices went up by 1.9 per cent in December, compared with November.

Can the minister tell the House why the cut in sales tax was not properly monitored by the government? What steps is the government now planning to take to make sure that the $1 billion cut is not being kept by the corporations as a gift, but is passed on to the consumers where it belongs?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, the many offices of my department across the country have been monitoring the sales tax cut, and I must say that since its introduction we have received very few complaints that it was not being passed on, although this would only begin to show up in recent weeks. We have been monitoring, however. I have not yet received the letter referred to by the hon. member, but I shall be glad to pursue the matter.

Mr. Nystrom: A supplementary question, Mr. Speaker. This morning, the Consumers Association of Canada said that in

their phone calls to the agencies referred to, they found that no one was really charged with monitoring the sales tax cut and no one seemed to know what they were doing.

Will the minister make a commitment to assign a single agency to monitor the 3 per cent cut so that consumers will get the $1 billion, and not the corporations?

Mr. Allmand: Mr. Speaker, that is difficult to understand. Before Christmas, I met with the entire executive of the Consumers Association of Canada and told them exactly what the government had in mind. That was the announcement by the Minister of Finance on budget night to the effect that until the end of the year the AIB, my department and CSIP would be involved in the monitoring process. I told them exactly what the role of my department would be; that is, with our many offices across the country, to keep a close watch on consumer products in the field to determine whether tax cuts were being passed on. Up until this time there have not been many complaints.

It is difficult to determine, especially with small products where the price is low—although we know that with automobiles it was passed on—with things such as appliances whether this is so. But the monitoring is continuing.

* * *

FINANCE

CHANGES TO SMALL BUSINESS TAX RATE

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, may I put a question to the Minister of Finance? On December 13, in response to my questions regarding proposed changes to the small business tax rate, the minister said that he would be introducing a bill on the matter "within the next few days."

My question is simply this: why has the minister reneged on that promise, and when can we expect this bill to be tabled in order that, as his colleague, the hon. member for Labelle, stated earlier the confusion and uncertainty which the Minister has created can be somewhat resolved?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I have introduced a Ways and Means motion which includes everything that is in the bill. That is what I meant when I referred to the introduction of the bill, so that it would be possible for me to receive comments from people who have an interest in it. Most of the people who have an interest have looked into it and we have received some letters from them. If some changes are to be proposed, they will be in the bill when I introduce it soon.

Mr. Jelinek: Mr. Speaker, a supplementary question. Neither the minister's ways and means motion nor his press release on the matter, issued in December, assure the thousands and thousands of legitimate one-man operations, as well as independent insurance and real estate brokers, that they will be exempt from the proposed amendments.

In order to clarify the obvious uncertainty and confusion within this widespread sector of our economy, can the minister today give these legitimate small business operations, including real estate brokers and insurance brokers, the assurance that they will continue to qualify for the preferential small business tax?

Mr. Chrétien: Mr. Speaker, if the hon. member would read the ways and means motion and the press release that went with it, he would see it is clear that the people referred to will be exempt as long as they meet the requirements. It was all spelled out very clearly in the ways and means motion. I think either the hon. member did not read it or that he is acting in bad faith.

* * *

STATUS OF WOMEN

EMPLOYMENT STRATEGY OF GOVERNMENT

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Prime Minister: it relates to the recent meeting of the Advisory Council on the Status of Women, a body appointed by the government.

In view of the remarks made at that meeting by the president, who stated that she had come to the "tragic conclusion that not only were Canadian women being excluded from the employment strategy of the Canadian government," but that in "official statements" women are considered either "responsible for the high rate of unemployment" or are being "used as scapegoats and as a screen for a chronic inability to redress the economy", and in view of this level of criticism directed toward the government and its over-all economic policy of using women as scapegoats, has the Prime Minister asked for an immediate report from either the minister responsible for the status of women or from the Minister of Employment and Immigration about steps being taken to reverse this very serious situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have had a report and I can state unequivocally that either the president was not directing her remarks at the government or else she was unequivocally wrong.

Mr. MacDonald (Egmont): A supplementary question, Mr. Speaker. In view of the fact that these remarks were released officially by the Advisory Council on the Status of Women, and that there has been no public statement since suggesting that the remarks, which are very clearly an indication of criticism of the government, were not meant or intended, when the Prime Minister is inquiring about this, could he perhaps also find out why it has taken so long for the commitment to be honoured—made by the President of the Treasury Board and by the minister responsible for the status of women—to produce the annual reports on the achievement of equal opportunities for women in the various departments of government, as well as publishing the reports on the plan of action to which the government has committed itself?

Mr. Trudeau: Mr. Speaker, I do not have to make the inquiries: I can assure the hon. member that neither he nor the honourable lady can find any incidents in which any minister of this government will have taken the position stated by the president of the Voice of Women.

* * *

GAMBLING

GOVERNMENT POLICY ON OFF-TRACK BETTING

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a question for the Minister of Agriculture.

On December 19 last, unequivocally, without condition and without restriction, the minister stated very clearly that before January 22 he would indicate whether the government was going to continue its policy on off-track betting, or change that policy. It is now January 23. I would ask the minister why he has reneged on that public promise.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, just before coming into the House today I made a statement concerning off-track betting. I thought there were many unanswered questions on both sides of this problem. The great municipal body of the city of Toronto passed a resolution condemning off-track betting, and I thought even that great body would like to come before some committee. I therefore suggested to the leader of the Senate that a committee be formed, and he has assured me he will consider that suggestion. Such a committee could hear all the pros and cons and all the facts. Even the provinces which have been very quiet on this question could come forward and let their thoughts be known.

Mr. Lawrence: A supplementary question, Mr. Speaker. On December 19, the minister was surely aware that his cabinet colleagues were divided on this matter—surely the minister was aware that the Liberal caucus was divided—yet he blundered on and made a very forthright statement.

My question is: why did the minister make that statement on December 19, knowing that he would not live up to it?

Mr. Whelan: Mr. Speaker, I feel I did live up to it. Furthermore, the hon. member surely knows that in his own caucus there are pros and cons. He has not stated whether he is for it or against it, and I should like to know that. It would even help the committee, if it is formed, to have his learned opinion on whether off-track betting should become law. I have not received a letter from him either for or against it.

[Mr. MacDonald (Egmont).]

• (1450)

THE CONSTITUTION

POSITION OF OPPOSITION ON CONSTITUTIONAL REFORM

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Prime Minister. Has the Prime Minister received official representations from the opposition regarding the negotiating position it would recommend for the conference on constitutional reform next week?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I have no recollection of having received any such representations from the opposition.

Mr. Speaker: The hon. member for Provencher.

Some hon. Members: Oh, oh!

Mr. Speaker: I did not mean to interrupt the Prime Minister.

Mr. Trudeau: Mr. Speaker, I had finished, but hearing the laughter on the other side I can understand why there is no position of the opposition on this question. There are three: there is one from Rosedale, one from Prince Albert, and one from the Leader of the Opposition.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

* * *

IMMIGRATION

POLICY RESPECTING IMMIGRANTS FROM SOUTHEAST ASIA

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct my question to the Minister of Employment and Immigration. The minister will recall that in recent days he has made statements that he would be willing to accept additional refugees from the Philippines and Hong Kong if those two countries would allow the boat people to land there.

Is the minister now willing to increase the number of refugees, the roughly 5,000 he is contemplating landing in 1979 out of a total commitment of landings of 100,000? Is he willing to increase the number at least to the exemplary proportion of the State of Israel which has remembered the plight of their citizens after World War II? Many of us in this country remember the plight of our forefathers. Is the minister willing to increase the number of total landings for 1979 above the 5,000 he has recommended?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, to the credit of Canada, we were able to announce—I think with the approval of Canadian citizens generally—that we have moved from 75 families a month to 200. That raised the figure to 5,000. The announcement was made in December.

In addition, I have sent a telex to my provincial colleagues who have special responsibilities for immigration, recommending that we have a meeting to discuss this matter and come up with a figure that would be an annual target, so to speak, of the number of people we might anticipate receiving under the refugee program. As a result of the action taken by this government, people on the ship in Hong Kong were able to get off and we are taking people from that particular camp. We have not yet had a response from the Philippines. We indicated we are prepared to take from the camp 300, 400 or 500 from that group in order to help alleviate the situation.

I say again that this is really a world problem. We must have some direction from the United Nations High Commissioner for Refugees so that we do not have to act on an ad hoc basis and so that we do not act in a counterproductive way in respect of those countries which are countries of first haven and have a problem on their doorstep which they face on an almost daily basis.

Mr. Epp: Mr. Speaker, I want to indicate to the minister that at no time have spokesmen who have spoken on this issue ever suggested that the number of refugees that Canada would be willing or able to take would in any way solve the tragic situation in Southeast Asia. The United Nations has clearly indicated that there could be as many as half a million refugees there by the end of this year.

Is the minister willing to now move forward under a section of the Immigration Act and allow churches and similar sponsoring institutions which have indicated their willingness to sponsor Southeast Asian refugees to sponsor these refugees in addition to the number of refugees to which Canada is committed?

Mr. Cullen: Mr. Speaker, not only are we prepared to move ahead, but we have already moved ahead. We are contacting church groups and service clubs. Within two days of an address I made in Ottawa, we were contacted by the Kinsmen Club of Canada which indicated they were having a meeting of their top executives from across the country and that they were very interested in this sponsorship approach. They know that it will not be in lieu of, but in addition to, the government's commitment.

I expect that from the churches, service clubs and other groups we may very well get a significant number of refugees into this country in addition to the governments' commitment, both provincial and federal.

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[*Translation*]

TRANSPORT

RESUMPTION OF AIR CONTROLLER TRAINING COURSES IN CORNWALL—INQUIRY WHETHER SIX-MONTH DEADLINE WILL BE OBSERVED

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is for the right hon. Prime Minister. In light of the report on an inquiry which had been ordered and justified concerning the students of the Cornwall institute studying to be air controllers, the minister having recognized that there had been some involuntary discrimination, and following the recommendation of the Commissioner of Official Languages to the effect that within six months those courses will be given in French, could the parliamentary secretary assure us now that the deadline recommended by the Commissioner of Official Languages will be respected?

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Department of Transport will do everything possible to respect the deadline recommended by the Commissioner of Official Languages. It has been recognized that involuntary discrimination had taken place. There are now French-speaking teachers at the institute. The students, at least those who have been interviewed during a CBC program two weeks ago, have said they were satisfied with the changes in the situation. We hope to be able to offer all courses in both official languages before the end of 1980, which is, I think, one of the deadlines established by the Commissioner of Official Languages.

* * *

[*English*]

STATUS OF WOMEN

ACTION ON COMPLAINTS OF ADVISORY COUNCIL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Prime Minister. I listened carefully to the Prime Minister's reply to the hon. member for Egmont, but the press report clearly states that the Advisory Council on the Status of Women, through its president, Yvette Rousseau, took the stand that the government has been callously ignoring its recommendations in a number of particulars that are set out in the report.

May I ask the Prime Minister what the government intends to do about two, in particular, of the complaints made by the Advisory Council on the Status of Women? One is that only 20 of 51 federal departments have full-time co-ordinators concerned with equal opportunities for women. The other is that the number of women participants in high status career assignment programs has dropped from 30 per cent in 1975 to 14 per cent at the present time. Will the government take steps to meet these two specific complaints of the Advisory Council on the Status of Women?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure the minister responsible for the status of women has taken account of this report. We will discuss it in cabinet and take whatever action is needed. In my answer to the hon. member for Egmont, I was singling out a particular point quoted by him to the effect that in some way the government was blaming women for the increase in the size of the unemployment figures. I said that is categorically false.

Oral Questions

URBAN AFFAIRS

COMPENSATION TO AHOP RESIDENTS IN VIRGINIA PARK, ST. JOHN'S, NEWFOUNDLAND

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is to the Minister of Public Works responsible for housing. I wish to ask the minister if CMHC is prepared to offer to the homeowners in the Virginia Park, AHOP subdivision in St. John's a settlement in order that they may be able to effect repairs to their homes arising out of inadequate inspection, faulty building materials and substandard materials, which has seriously depreciated the value of their houses.

Is the minister prepared to make an offer on behalf of CMHC to these unfortunate people, other than the offer made to them on January 8 in writing by CMHC offering to give them a loan which would be added to their mortgage?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I am glad the hon. member has asked that question. Indeed, the offer made by CMHC to the lawyer representing some of the people affected in the Virginia Park project in St. John's, Newfoundland, has not, I understand, been fully communicated to the people concerned.

● (1500)

The offer does not only include an increase in the loan, but the possibility of subsidies attached to this offer of an extra loan in order to allow people to make urgent repairs to their homes. Discussions are going on at the present time between the CMHC regional director and the lawyer representing some of the owners, but I should like the people concerned to look fully at the advantages which are offered, because CMHC is going beyond normal practice in trying to accommodate them and help them solve their problems.

Mr. McGrath: The offer of CMHC has, of course, the advantage of increasing the value of a house which has, in fact, depreciated. I would ask the minister whether the investigations of the RCMP into alleged wrongdoing, alleged pay-offs to inspectors by the contractors, have been concluded and whether charges will be laid.

Mr. Ouellet: Not to my knowledge, Mr. Speaker. When the investigations are completed, it will be up to officers of the RCMP to convey their conclusions to the appropriate authority; but I have no indication that their inquiries have been concluded. In the meantime, the people concerned have been deflected to other tasks and we are awaiting the results of the investigations.

[Mr. Trudeau.]

STATUS OF WOMEN

REFERENCE OF REPORTS TO STANDING COMMITTEE

Miss Flora MacDonald (Kingston and the Islands): I rise on a point of order, Mr. Speaker. I should like to direct a question to the government House leader following the extraordinary statement made by the Prime Minister with regard to the president of the Advisory Council on the Status of Women. I should like to ask him whether he would arrange with his cabinet colleagues that the recent reports of the advisory council be referred to the Standing Committee on Labour, Manpower and Immigration so that we can hear Madame Rousseau's side of the question and her statements which the Prime Minister dismissed so cavalierly.

Mr. Speaker: Order, please. I was looking in the hon. member's direction in anticipation of a question supplementary to that put by the hon. member for Winnipeg North Centre, but she did not get up then and I do not think I can allow her to put her question now.

ROUTINE PROCEEDINGS

[*English*]

PENSIONS

TABLING OF CORRESPONDENCE BETWEEN PRIME MINISTER AND GOVERNOR GENERAL DESIGNATE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to table, pursuant to Standing Order 41(2), copies of correspondence in both official languages between myself and the then Governor General designate, Mr. Edward Schreyer, concerning pension provisions for him at the time of his retirement as Governor General.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, since we are answering more than a hundred questions today, I seek permission to table the list of numbers in order to spare the House a long and useless enumeration.

[*English*]

Mr. Speaker: Is that agreed?

Mr. Paproski: Yes, Mr. Speaker.

Mr. Speaker: Agreed and so ordered.

[*Editor's note : Questions to be answered are as follows:* 2, 22, 157, 161, 177, 218, 219, 233, 244, 287, 296, 334, 344, 349, 384, 393, 398, 399, 400, 407, 425, 433, 444, 465, 473, 475, 477, 512, 515, 518, 519, 524, 541, 544, 545, 546, 551, 555, 558, 559, 562, 577, 578, 579, 584, 585, 624, 635, 636, 637, 640, 641, 643, to 647 incl., 650, 684, 685, 687, 727, 733, 737, 741, 750 to 774 incl., 788, 824, 866 and 867.]

[*Text*]

DAIRY PROGRAM

Question No. 2—**Mr. Cossitt:**

With reference to the Department of Agriculture's Dairy Programme announcement made on April 4, 1977, did the announcement include a statement that the government would spend $4,000,000 this year for market promotion and research and, if so, what has been spent to date, in what manner and if a balance remains, how will it be spent and on what date?

Hon. E. F. Whelan (Minister of Agriculture): Yes, the announcement of the dairy program on April 4, 1977, included a statement that the government would spend $4 million for market promotion and research in 1977-78.

As at March 31st, 1978, a total of $2,956,228.54 was spent in the following manner and the balance of the unexpended moneys lapsed at the end of the fiscal year 1977-78:

Product promotion	$ 2,379,000.00
Market Research	316,502.41
Product Research	260,726.13

For the fiscal year 1978-79 a total of $4 million has been allocated for market promotion and research.

As of November 20, 1978, a total of $692,720.00 has been spent in the following manner:

Product promotion	$ 371,114.00
Product Research	321,606.00
Market Research	0

The balance of funds are committed to the full amount and are expected to be spent within the fiscal year.

"CODE BLUE"

Question No. 22—**Mr. Cossitt:**

1. Did Mr. Robin Bourne, Director of the Police and Security Planning and Analysis Group, Department of the Solicitor General, appear on the program "Code Blue" telecast by CTV a few months ago and did he state that a terrorist incident was inevitable in Quebec and, if so, does this statement reflect the opinion of the government?

2. Did Mr. Bourne appear on the program with permission of any superior and, if so, what is the name and job designation of the superior?

3. Is the government aware that the program "Code Blue" carried in places items similar to those included in a column in the *Toronto Sun* by Mr. Peter Worthington on the subject of national security?

4. For what reason was the Publisher of the *Toronto Sun*, Mr. David Creighton, and the Editor, Mr. Peter Worthington charged under the *Official Secrets Act*?

5. Does the government intend to lay charges under the *Official Secrets Act* in respect of the program "Code Blue" and, if not, for what reason?

Mr. Yvon Pinard (Parliamentary Secretary to President of Privy Council): I am informed by the Ministry of the Solicitor General and the Department of Justice as follows:

Order Paper Questions

1. Mr. Bourne had the Solicitor General's permission to grant an interview to CTV about crisis management. CTV decided to include film clips from this interview on the program "Code Blue". Mr. Bourne did not state that a terrorist incident was inevitable in Quebec.

2. See part 1.

3. Yes.

4 and 5. It would be improper for the Minister of Justice to comment on the case that is now before the courts with regard to the *Toronto Sun*.

MR. TOM RUSEKSKI

Question No. 157—**Mr. Cossitt:**

1. To the knowledge of the government, did Mr. Tom Rusekski of Ottawa appear before the Canadian Radio-Television and Telecommunications Commission on or about Tuesday, October 10, 1978 and, if so (a) was one of the subjects dealt with the alleged censorship of Radio Canada International by the government (b) is Mr. Rusekski a former employee of the CBC and, if so, what position did he hold and during what time and did he allege that he was illegally dismissed a few days after filing a brief of complaints with the CRTC (c) did Mr. Rusekski charge that a "cover-up" operation was conducted after the honourable member for Leeds asked questions in the House of Commons about alleged censorship of Radio Canada International broadcasts beamed to the Soviet Union?

2. Did Mr. Rusekski state that Mr. Alan Brown, Director of Radio Canada International, said that questions by the honourable member for Leeds in the House of Commons lead to high level meetings with the Minister of External Affairs, the Secretary of State, the President of the CBC and other officials and further, did he quote Mr. Brown to the effect that they were "all talking about these bloody questions and what should be done about them"?

3. On what date, in what places, by what means and at what times did any conference or communications of any kind take place on the subject of the questions by the honourable member for Leeds by any of the following (a) the Minister of External Affairs (b) the Secretary of State (c) CBC President Mr. Al Johnson (d) any other officials and the names and job designations of such other officials?

4. Did the CBC legal staff try to stop Mr. Rusekski from giving testimony before the CRTC on alleged censorship of Radio Canada International and, if so (a) was such an attempt made by CBC lawyer Mr. David Chatia and what are all the reasons that the CBC attempted to stop such testimony (b) is it part of any CBC or government policy to institute additional censorship or does either have a policy to silence former and present employees?

Hon. John Roberts (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows:

Mr. Tom Rusekski appeared before the Canadian Radio-Television and Telecommunications Commission on Tuesday, October 10, 1978. The proceedings of the CRTC of that date are a matter of public records. Mr. Rusekski is also suing the CBC in connection with his dismissal by the corporation. Until such time as the CRTC has concluded its deliberations on the representations made to it by him, and the legal action has been concluded, it would be improper for the CBC to comment on or discuss these matters.

Order Paper Questions

AIR SERVICE

Question No. 161—**Mr. Hnatyshyn:**

Is the government committed to allowing (a) Canadian Pacific Airlines (b) any other airline except Air Canada rights to servicing Saskatoon and Regina for domestic and/or international flights?

Hon. Otto E. Lang (Minister of Transport): (a) The government agreed in 1977 that CP Air be allowed to serve points in Saskatchewan on domestic flights, subject to licence authority being granted by the Canadian Transport Commission.

(b) Transair was granted licence authority to serve Saskatoon and Regina by the Canadian Transport Commission in April 1978. Norcanair has authority to serve Saskatoon-Regina-Minot, North Dakota. (Air Canada is designated to serve Regina/Winnipeg-Chicago.)

MR. LESLIE JAMES BENNETT

Question No. 177—**Mr. Cossitt:**

1. With reference to the answer to Question No. 772 of the Third Session of the 30th Parliament, on the subject of Leslie James Bennett, formerly Assistant Officer in Charge of Counter Espionage for the RCMP, which stated in part: "Prior to his retirement to medical pension, Mr. Bennett was questioned by the RCMP in line with the normal concerns by all Western Intelligence Services in accepting the possibility of high level penetration by Soviet Intelligence Services", what are all the reasons in the case of Mr. Bennett that the government considered such a thing a "possibility"?

2. What are the names of all other senior RCMP personnel in the past five years who have retired from the RCMP and have been similarly questioned or debriefed and what is the total number of such persons?

Hon. J.-J. Blais (Solicitor General): 1 and 2. The original reply is self explanatory and no explanation is to be made.

MALARIA

Question No. 218—**Mr. Jones:**

1. How many cases of malaria have been recorded in Canada each year since 1972? Have any deaths occurred from these cases?

2. In how many cases where malaria was diagnosed was the party a recent immigrant (within two years) to Canada?

3. Does diagnosis of this disease require notification of public health officials? Is the patient quarantined? What efforts are made to restrict the disease to the first diagnosed individual?

4. Are individuals such as hospital workers, laboratory technicians and transportation employees immunized against malaria? Is this immunization done on a regular schedule?

5. Are there any environmental factors which have an influence on the spread of malaria? What efforts are being made to correct these environmental factors in order to limit the outbreaks of malaria? Is there any research currently being conducted on malaria and its causes?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned:

1. The number of cases of malaria reported in Canada since 1972 has been as follows:

1972, 7
1973, 25
1974, 24
1975, 52
1976, 91
1977, 96
1978, 143 (to October 7).

One death was reported in Ontario due to malaria in 1971.

2. The exact number of malaria cases occurring among recent immigrants is not known. Recent information provided by the Quebec ministry of social affairs indicates that 7 of the 13 cases reported in 1977 in Quebec were immigrants. The remainder were Canadians who acquired the infection while travelling in tropical countries.

3. Notification of selected communicable diseases is a requirement under provincial health regulations and malaria is included. No quarantine measures are necessary since the disease is not spread directly from person to person. Species of mosquito necessary for transmission do not naturally occur in Canada.

4. No vaccine exists for protection against malaria although current research gives hope that one may be developed in the near future. However, effective drugs are available for both prevention and treatment. Travellers proceeding to malarious areas of the world should start prophylactic drugs two weeks before departure and continue until six weeks have elapsed after returning to Canada.

5. Malaria is found mainly in tropical and sub-tropical countries and environmental factors are extremely important in the maintenance of this disease. Malaria is transmitted by certain species of mosquito hence moist, warm, climates are necessary for propagation of the insect vectors.

Efforts to maintain residual pesticide spraying to kill adult and larval stages of the mosquito are supported by the World Health Organization. A new program by WHO has recently been launched which will direct additional resources toward research on all aspects of control.

HUMAN QUARANTINE INSPECTION

Question No. 219—**Mr. Jones:**

1. Is human quarantine inspection a federal or provincial responsibility? Under whose departmental jurisdiction does quarantine fall?

2. What are the diseases which are subject to quarantine? How long are quarantine periods for each disease?

3. Are all travellers to Canada, regardless of their country of origin, subject to health standards and if not, what countries are exempt? What provisions have been made to insure that travellers from countries not subject to health inspections do not import contagious and/or communicable diseases into Canada?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned:

1. Human quarantine inspection, when applied at a port of entry, is a federal responsibility.

The Quarantine Act R.S., c. 33 (1st Supp.) empowers a federal quarantine officer to board and inspect any conveyance arriving in Canada from a place outside Canada.

The collector of customs at any harbour, airport or port of entry into Canada at which a quarantine station has not been established may exercise the detention powers of a quarantine officer until opportunity has been afforded to arrange for examination of a person or persons by a quarantine officer.

The federal quarantine activity is administered by medical services branch of the Department of National Health and Welfare.

2. Diseases subject to federal quarantine control are: i. Those named in the schedule to the Quarantine Act, viz. cholera; plague; smallpox; yellow fever; ii. Unspecified contagious diseases of epidemic propensity, the introduction of which into Canada would, in the opinion of the quarantine officer, constitute a grave danger to public health in Canada.

The quarantine (incubation) periods established for the purposes of the International Health Regulations for each disease are: cholera, five days; plague, six days; smallpox, 14 days; yellow fever, six days.

Incubation periods formerly established under the International Sanitary Regulations (the forerunner of the International Health Regulations) for the following pestilential diseases are: louse-borne typhus, 14 days; louse-borne relapsing fever; eight days.

For administrative purposes, the following incubation period for certain viral haemorrhagic fevers appears to find international acceptance: Lassa fever, 21 days; Marburg virus disease, 21 days.

3. All persons arriving in Canada from a place outside Canada, irrespective of origination or diplomatic status, are subject to quarantine health standards.

A requirement by Canada for health inspection of all prospective travellers at foreign departure points would be unenforceable. Any such requirement would be in contravention of article 88 of the International Health Regulations which provide that no health certificate may be required from persons on an international voyage. Provision of health documentation in the case of immigrants or those intending to reside in Canada for a protracted period (such as students) is to be viewed as a condition of the granting of a visa, rather than permissible as a required travel document on arrival.

Article 31 of the International Health Regulations stipulates that the health authority for a port or an airport or for the area in which a frontier post is situated shall take all practicable measures to prevent the departure of any infected person or suspect. The regulatory vehicle for this international co-operation in health protection dates back to 1851 and since 1969 has appeared in the form of International Health Regulations, developed and amended from time to time in response to changing circumstances by the World Health Assembly of the World Health Organization.

Almost all countries of the world are signatories to the International Health Regulations; those few that are not bound, e.g. Australia, South Africa, Singapore, in practice have consistently acted in the spirit of international co-operation set out in article 31.

Order Paper Questions

BANK OF CANADA

Question No. 233—**Mr. Howie:**

For the fiscal year ended March 31, 1978, what amount was spent on interior landscaping by the Bank of Canada?

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance): In so far as the Minister of Finance is concerned: I am informed by the Bank of Canada as follows: $7,637.00.

MR. ROBERT REMPEL

Question No. 244—**Mr. Epp:**

Was Mr. Robert Rempel appointed to a government position and, if so, what is (a) his annual salary (b) the job description of his position?

Hon. John Roberts (Secretary of State): In so far as the Public Service is concerned: no.

ESTABLISHMENT OF SECURITY SERVICE

Question No. 287—**Mr. Cossitt:**

1. Has it become the policy of the government or is it under consideration by the government, to establish a security service to be operated completely separate from the RCMP and, if so, what are all the reasons for such a decision or possible consideration?

2. Does the government plan to expand the Police and Security Planning and Analysis Group and, if so, for what reason?

3. Is it government policy that a security service separate from the RCMP would be under stronger political control than the present security service and, if so, what are all the reasons that the government is thinking in such a direction?

Hon. J.-J. Blais (Solicitor General): 1 and 3. The McDonald commission of inquiry has been asked to look into these questions.

2. The capability to formulate police and security policy will be increased by three person years. These person years are being found within the secretariat of the Ministry of the Solicitor General.

BROCKVILLE AQUATIC CLUB

Question No. 296—**Mr. Cossitt:**

1. Is the Prime Minister or the government aware that the Brockville Aquatic Club is seeking federal funds for the purpose of constructing a swimming pool?

2. Is the government aware that the Brockville Aquatic Club has presently no such facility and must travel to the nearest pool which is located in Ogdensburg, U.S.A?

3. Will the Prime Minister and the government adopt a policy of releasing the names and addresses of all donors to the swimming pool at the Prime Minister's official residence, 24 Sussex Drive, Ottawa and, if so, specifically will a copy of such a list be sent to the Brockville Aquatic Club for possible solicitations?

4. Is the Prime Minister and the government presently considering a policy of making the swimming pool at the Prime Minister's official residence, 24 Sussex Drive, Ottawa, available for use by such groups as the Brockville Aquatic Club when not otherwise occupied?

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): I am informed by the Ministry of State for Fitness and Amateur Sport and the Prime Minister's office as follows:

Order Paper Questions

1. The Fitness and Amateur Sport Branch has no record of any request for financial assistance from the Brockville Aquatic Club.

2. There is no provision in the branch program for the construction of local sport facilities of this nature. Municipal and regional levels of government are normally responsible for determining and meeting local facility requirements.

3 and 4. See reply to question No. 1,233 of the first session of the thirtieth parliament, *Hansard* No. 193, page 8611, dated October 28, 1975.

PROFESSIONAL SERVICES CONTRACTS

Question No. 334—**Mr. Orlikow:**

1. For the fiscal year 1976-77, what contracts for professional services were let for studies, surveys and analyses into (a) present or future policies, programmes or information analysis and their efficiency and effectiveness (b) the examination of the administration or internal operation of the Department of Public Works?

2. How much was committed on each contract and to whom?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): 1 and 2. Public Works Canada awarded contracts for professional services for studies, surveys and analyses during the fiscal year 1976-77 as follows:

(a) for present or future programs, etc.

Contract Awarded to	Purpose of Contract	Amount Committed
Benjamin Higgins	To develop an analytical framework for the purpose of analyzing the impact of shifts in public works expenditures under varying policies of stabilization in the construction industry; and to provide advice and a selective approach to a program of research on literature and studies related to construction instability, in connection with the cost-effectiveness analysis of a proposed information system on construction investment in Canada.	$ 5,000
Hanscombe Ray Assoc.	Study to investigate the possible use of bills of quantities in federal construction projects.	$15,000
Able Administration	Policy analysis, research and advice in connection with government business.	$10,000
The Probe Group	Consultant services in respect of the design and implementation of a managerial and supervisory program for Public Works Canada with the objective of improving the quality of management and supervision in the department.	$25,000
I.B.I. Group	For the purpose of studying the rental structure as it applies to residences in the expropriated area in Mirabel with a view to the establishment of rentals which will be in line with the surrounding districts.	$43,000
Beauchemin, Beaton, Lapointe/Somer	To study the type and quality of municipal and school services being provided by La Ville de Mirabel and surrounding municipalities in relation to the tax assessment of the federal government.	$40,500

[Mr. Pinard.]

Contract Awarded to	Purpose of Contract	Amount Committed
(b) for the examination or internal operation of PWC		
Robert J. Beck and Pierre Teasdale	The development of a model and methods for the analysis of psychological, social and functional domain attributes and indicators from the perspective of various key user groups in the context of government, office building design in connection with the development of a performance evaluation matrix.	$ 6,086
McEwan, Ghal & Assoc.	To undertake a cost study of direct digital control systems for three typical buildings selected by the departmental representative.	$ 5,000
I.B.I. Group	Preparation of documents outlining status of the fundamentals of administration at Mirabel on the subject of: —Role of administration at Mirabel —Elements of an operational strategy —Policies and desirable programs of the department in different activity sectors: agriculture, forestry, recreational, conservation of heritage, realty management.	$10,000
Dubé, Galibios & Assoc.	Definement of methodology of estimating agricultural productivity.	$10,000
J. Benoit & Assoc.	Review and evaluate the effectiveness of present departmental insurance practices and procedures; to make recommendations in written form.	$23,000
I.B.I. Group	To develop the work plan required to accomplish a systematic review of the activities of Public Works Canada and projection of the D and C branch resources required.	$ 4,000
I.B.I. Group	To assist Public Works Canada in the application of the methodology described in the work plan proposed by the I.B.I. Group in their report dated July 9, 1976 in order to establish the optimum use of resources of the D and C branch for the next fiscal year.	$22,500
I.B.I. Group	To devise a manpower planning system and to assist with a staff redeployment program.	$110,800
Nepean Development Consultants	To prepare a draft "Policy Manual" and a system for updating and refining of "Program Policy Documents"; evaluation of program services and delivery procedures to identify areas for improved operations dealing with the public.	$ 5,000
TEAG	To define functions, tasks, interfaces and specific implementation tasks associated with the building. Specialist resources directorate, newly identified by the Public Works Executive Committee.	$135,000
Carleton University	To define the functions, tasks and interfaces of a new building specialist resources unit for the design and construction head, building operation; to design its organization and define the manpower requirements procedures, mode of operation, etc.; to assist with	$25,000

Contract Awarded to	Purpose of Contract	Amount Committed
	the recruitment of staff for the unit and assist them in implementing it; to advise the ADM, D and C on matters arising out of the reports and works of the D and C task force.	

CROWN ASSETS DISPOSAL CORPORATION

Question No. 344—**Mr. Bawden:**

1. What is the average number of credit notes that the Crown Assets Disposal Corporation (a) issues (b) refuses to issue, in a year?

2. What has happened to files established by the Marketing and Sales Group of the Corporation identifying the number of complaints from customers?

Hon. Pierre De Bané (Minister of Supply and Services): 1. (a) and (b) Our records are not kept in such a manner as to provide this information.

2. As per Public Archives' recommendations in their study of Crown Assets Disposal Corporation's filing system, central registry is responsible for opening and retaining files. All head office divisions including the marketing and sales group forward all files and documentation to the central registry for retention and eventual disposal according to the disposal schedule of the Government of Canada.

Question No. 349—**Mr. Bawden:**

1. With reference to the answer to Question No. 1,331 of the Third Session of the 30th Parliament, for what reason was the merchandise sold to Sedburgh School on March 17, 1977 not inspected by Crown Assets Disposal Corporation prior to the sale, since the Corporation's manual requires such inspection?

2. On what date was a refund made to Sedburgh School for the missing diesel engine?

3. If the Corporation was not advised by the purchaser, that upon collection the diesel engine was missing, for what reason was the refund made?

4. Was the refund made in April 1977 when it was authorized in writing by the Corporation in that month and, if not, for what reason?

Hon. Pierre De Bané (Minister of Supply and Services): 1. According to a Crown Assets Disposal Corporation procedure, inspection of surplus materials prior to offering for sales is not mandatory.

2. Refund approved and cheque issued on February 28, 1978.

3. Material was left with custodian department for pick up by Sedburgh school; however, they refused to accept material due to its condition. A written complaint was received by Crown Assets Disposal Corporation, from Sedburgh school, in October 1977.

4. Preliminary verbal discussions had taken place between Sedburgh school and our sale's division and upon official receipt of the complaint in October, 1977, an investigation was conducted by Crown Assets Disposal Corporation with the custodian department, and as a result the refund was approved.

METHYLMERCURY

Question No. 384—**Mr. Epp:**

1. Were persons from the Pauingassi Indian Reserve tested for methylmercury and, if so, how many and on what dates?

2. Was testing done on persons living on the Reserve prior to 1977 and, if so, what were the results in (a) 1970 (b) 1971 (c) 1972 (d) 1973 (e) 1974 (f) 1975 (g) 1976?

3. Has action been taken on behalf of the persons who have been living with unacceptable levels and, if so, in what way?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned:

1. Yes.

Date	Number of People
16/01/74	19
24/06/76	15
16/09/76	10
21/10/76	2
30/06/77	1
02/07/77	1
24/05/78	3
	51 tests

Thirteen individuals have been tested on more than one occasion.

2. (a) No testing.
(b) No testing.
(c) No testing.
(d) No testing.
(e) A total of 19 tests were performed in 1974, the results are as follows:

1— 6 ppb Mercury in blood	3— 40 ppb Mercury in blood
1—10 ppb Mercury in blood	1— 42 ppb Mercury in blood
1—14 ppb Mercury in blood	1— 45 ppb Mercury in blood
1—22 ppb Mercury in blood	1— 48 ppb Mercury in blood
1—24 ppb Mercury in blood	2— 50 ppb Mercury in blood
1—35 ppb Mercury in blood	1— 57 ppb Mercury in blood
1—36 ppb Mercury in blood	1—123 ppb Mercury in blood
1—37 ppb Mercury in blood	1—151 ppb Mercury in blood

(f) No testing.
(g) A total of 27 tests were performed in 1976, the results are as follows:

2— 5 ppb Mercury in blood	1— 31 ppb Mercury in blood
1— 8 ppb Mercury in blood	1— 32 ppb Mercury in blood
1—10 ppb Mercury in blood	1— 35 ppb Mercury in blood
1—12 ppb Mercury in blood	2— 38 ppb Mercury in blood
2—16 ppb Mercury in blood	1— 41 ppb Mercury in blood
1—18 ppb Mercury in blood	1— 47 ppb Mercury in blood
1—25 ppb Mercury in blood	1— 59 ppb Mercury in blood
2—26 ppb Mercury in blood	1— 62 ppb Mercury in blood
1—27 ppb Mercury in blood	1— 94 ppb Mercury in blood
1—29 ppb Mercury in blood	2—132 ppb Mercury in blood
1—30 ppb Mercury in blood	1—161 ppb Mercury in blood

(* ppb—parts per billion)

3. In accordance with the standard policy of medical services branch of National Health and Welfare, discussions have been held with individuals having levels in the 20-99 parts per billion (ppb) range and those with "at risk" levels (see below) in order that advice might be given regarding modification of intake of the food source containing mercury (in this case, fish).

The two individuals found to be in the "at risk" group (i.e. blood mercury levels greater than 100 ppb) have been advised to undergo a complete clinical examination. One person has been examined on two occasions. The other individual has refused to be examined.

Order Paper Questions

Follow-up tests for mercury levels have been performed on individuals who have had high levels.

GOVERNMENT EXPENSES

Question No. 393—**Mr. Herbert:**

What was the total of all government expenses as a percentage of the gross national product for the years 1975-76, 1976-77, 1977-78 and, what are the estimated percentages for 1978-79 and 1979-80?

Hon. Jean Chrétien (Minister of Finance):

	Actual			Forecast[1]	
	1975-76	1976-77	1977-78	1978-79	1979-80
	(per cent of GNP)[2]				
Public Accounts Basis					
Federal Government Total Outlays[3]	21.7	21.0	20.5	20.3	19.9

[1] Consistent with the Minister of Finance's budget speech dated November 16, 1978.

[2] Calculations are based on the corresponding fiscal year gross national product figures.

[3] The federal government sets its spending ceiling in terms of total outlays. Total outlays is the sum of budgetary expenditures and loans, investment and advances. Savings of approximately $700 million in 1977-78 budgetary expenditure resulted from the partial replacement of cash transfers to provinces by the transfer of additional tax points under the established programs financing arrangement. Adjustment for this change would increase the 1977-78 total outlays/GNP ratios to 20.8 per cent.

CROWN ASSETS DISPOSAL CORPORATION

Question No. 398—**Mr. Bawden:**

1. How many persons were employed by Crown Assets Disposal Corporation since January 1, 1978?

2. How many have left the employ of the Corporation since January 1, 1978?

3. What is considered to be an acceptable level of employee turnover?

Hon. Pierre De Bané (Minister of Supply and Services): 1 and 2. Since January 1, 1978, 32 employees have left the corporation and 32 were hired.

3. An acceptable level of employee turn-over is whatever is considered to be necessary for the most efficient operation of the corporation.

Question No. 399—**Mr. Bawden:**

1. Does the Surplus Crown Assets Act state that revenue from sales of surplus Crown assets should be deposited to the credit of the Receiver General?

2. Were funds received for the reissue of furniture refinished by the Refinishing Branch of the Department of Supply and Services, amounting to $286,800 in 1966-67, remitted to the Supply Revolving Fund rather than deposited to the credit of the Receiver General and, if so, under what authority?

Hon. Pierre De Bané (Minister of Supply and Services): 1. No.

2. Funds received for the reissue of refinished furniture are credited to the supply revolving fund to offset related expenses, such as the cost of collecting, receiving, documenting and warehousing surplus furniture, as well as the cost of refinishing, reissuing and delivering furniture, which meets an acceptable standard.

The Crown Assets Disposal Corporation "sells" acceptable furniture to the supply revolving fund at zero value. After absorbing the costs referred to above, any profits exceeding the limitation on the supply revolving fund retained earnings are remitted to the Receiver General, Consolidated Revenue Fund.

Question No. 400—**Mr. Bawden:**

1. Does the Procedure Manual of Crown Assets Disposal Corporation state that all merchandise must be inspected and valued prior to sale?

2. Is all merchandise sold by Crown Assets Disposal Corporation inspected and valued prior to sale and, if not, what is the percentage per annum of goods sold and not handled in this manner?

Hon. Pierre De Bané (Minister of Supply and Services): 1. No.

2. (a) No.

(b) Approximately 50 per cent.

UIC BENEFITS—LAVAL

Question No. 407—**Mr. Roy (Laval):**

During the past five years, did the City of Laval's Manpower Centre pay unemployment insurance benefits and, if so (a) to how many persons (b) in what amount annually?

Hon. Bud Cullen (Minister of Employment and Immigration): The city of Laval's Canada Employment Centre which consists of the old Unemployment Insurance Centre and the Canada Manpower Centre, paid the following unemployment insurance benefits:

	Claims	Benefits Paid ($ Millions)
1973	18,360	13.9
1974	20,147	16.8
1975	22,845	23.4
1976	25,067	29.6
1977	27,102	39.8

The response provided was calculated on a calendar year basis.

WEATHER SHIPS

Question No. 425—**Mr. Munro (Esquimalt-Saanich):**

1. Is it the government's intention to retire the two weather ships collectively known as *Ocean Station Papa* and, if so, on what date?

2. What is the undepreciated and depreciated value of the ships, and what will the government do with them once they have been retired?

3. (a) How old are the ships (b) what is their scrap value (c) what is the estimated price that they could be sold "as is" (d) will they be put up for public auction?

4. What is the annual operating cost of the two ships on the west coast?

5. (a) What is the value of the research that has been conducted in order to develop the satellite sounding systems which are to be substituted for the weather ships (b) what is the cost of the research to be done?

6. What will be the capital cost of the satellite sounding system once it is completely installed and operational?

7. What will be the annual operating cost of the satellite sounding system?

8. On what date will the satellite sounding system become completely operational?

9. (a) Is the satellite sounding system a proto-type system (b) are there systems of similar function elsewhere in North America and, if so (i) where are they located (ii) how do they vary from the system to be installed on the west coast?

10. On what date was the satellite sounding system project originally undertaken and what was the anticipated cost of the research and of the actual system at that time?

11. (a) How many persons are employed in the operation of the weather ships and ancillary functions (b) how many will be employed in the operation of the satellite sounding system once it is in place and fully operational?

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): I am informed by Environment Canada and Transport Canada as follows:

1. Yes. Present plans call for complete termination of the *Papa* weather ship program in the summer of 1981. That date is contingent on the availability of data from other sources to assure the adequacy of weather services to the citizens of British Columbia.

2. Undepreciated value for the two vessels: $17,122,461 (book value as of March 31, 1978).

Depreciated value for the two vessels: $10,477,822 (depreciation to March 31, 1978).

There has been no decision made regarding the role of the vessels after withdrawal from the ocean weather station *Papa*. Possible roles in the fields of ocean research and mapping, training, offshore surveillance and search and rescue will be considered.

3. (a) 9 years old.

(b) Scrap value, estimated for the two vessels: $350,000.

(c) The price at which the vessels could be sold "as is" would be based on market demand for vessels of the weather ships type at that time. This price would only be known when bids for the vessels are received. The price should vary directly with the market demand and may be equal to scrap value if there are no roles for the vessels.

(d) If the vessels are to be disposed of, they would be turned over to the Crown Assets Disposal Corporation which would offer them for public sale in compliance with the Surplus Crown Assets Act.

4. Fiscal year 1977-78—$3,974,001.

5. For part 5, it is assumed that "satellite sounding systems" is not restricted to "sounding". A number of satellite-borne systems will function as some of the alternate sources of weather data; visible and infra-red imagery, imagery from microwave sensors, and a variety of other systems including one for atmospheric sounding will make significant contributions to the data that will be available. United States figures are quoted since Canada benefits directly from U.S. work.

(a) Since 1967, it is estimated that the United States has funded the meteorological satellite program to approximately 1.25 billion dollars, over 40 per cent through civilian channels (National Oceanic and Atmospheric Administration). Almost 60 per cent of the total was devoted to operations, and the balance to research and development.

In Canada since 1963, 5 million dollars have been spent by the AES on meteorological satellite programs, about 40 per cent on research and development, and 60 per cent on operations.

On the sounding program specifically, it is estimated that about 20 per cent of the total U.S. expenditure is directly related, while in Canada, less than $90,000 can be so identified.

(b) Canadian research remaining will be small since we benefit directly from the U.S. work. Once the Tiros Operational Vertical Sounder (TOVS) now carried on the TIROS-N Satellite has been proven, Canadian research should total about $500,000 spread over several years.

6. Capital spending within Canada to utilize the sounding data will not exceed $500,000. This amount will provide the readout capability at three locations to assure adequate coverage for all of Canada.

7. The annual operating cost of the satellite sounding system will be about $250,000, including continuing research and development, after implementation. This will provide coverage for all of Canada.

8. The sounding system will be operational by 1981, with its potential increasing through the 1980s with follow-on systems on new satellites.

9. (a) No.

(b) Yes.

(i) In Washington, D.C. and Madison, Wisconsin (also in Sydney, Australia); research systems are in operation at a number of NASA sites in the U.S. as well as in the United Kingdom, France and other European countries.

(ii) The systems noted above are used to support large-scale global or hemispheric forecasts. The Canadian system will support such activities in this country to supplement similar data received from the U.S., but will also support regional forecasts.

10. Work in the United States began in the late 1960s. In Canada, no work has been undertaken to date other than keeping informed of developments in the U.S. Present plans call for a research, acquisition and operational program totalling $1.25 million for the TIROS-N satellite system over the life of that satellite. Further projections cannot be made until the nature of follow-on systems becomes known.

11. (a) One hundred sixty-four officers and unlicensed personnel.

(b) Across Canada, a small portion of the time of each of 15 persons (five at each of three locations) will be devoted to the reception and processing of the data, plus a few for equipment maintenance. The data will be used, along with other forms of data, by many meteorologists and support staff across the country.

Order Paper Questions

CROWN ASSETS DISPOSAL CORPORATION

Question No. 433—**Mr. Bawden:**

1. Was a study conducted on behalf of Crown Assets Disposal Corporation by an outside consultant in November or December 1977?

2. Was the purpose of employing an outside consultant to conduct an in-depth attitude survey of employees of the Corporation and, if so, for what reason was such a survey considered necessary?

3. What was the cost of the survey?

4. Were employees promised that, in the interests of improved communications, they would be advised of the results of such a survey?

5. Were the Corporation's employees subsequently advised of the results and, if not, for what reason?

6. Was the report of the consultant in any way critical of the Corporation and, if so, what were the criticisms?

7. Will the report of the survey be made public and (a) if not, for what reason (b) if so, on what date?

Hon. Pierre De Bané (Minister of Supply and Services): 1. Yes.

2. Yes. To serve as the basis for the preparation by the president and consultants of a well defined action plan, in order to better satisfy the needs of the employees and the corporation.

3. $15,000.

4. No.

5. No. See No. 7.

6. See No. 7.

7. No. (a) The confidentiality of the report dictates that it not be produced or disclosed, in accordance with the general principle dated February 16, 1973, enunciated in appendix "B" to the House of Commons debates, March 15, 1973, at page 2288. But the minister has extended an invitation to the hon. member to meet with the president of the corporation to discuss the internal management questions.

NATIVE EDUCATION

Question No. 444—**Mr. Firth:**

What are the current departmental policy guidelines with regard to native education with special reference to E-12?

Mr. Hugh A. Anderson (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Departmental policy guidelines cover the statutory requirements to provide elementary and secondary level education services to Indian children whose parents are residents on reserves or Crown lands, and the provision of a discretionary program of assistance to students in continuing education programs, including those at post-secondary institutions.

The E-12 program specifically covers the provision of post-secondary student assistance. It contains the following provisions:

(a) registered Indian and Inuit students who are accepted by accredited universities, colleges, etc., are covered by the program;

(b) students may be assisted to a limit of 96 student months, covering Bachelors, Masters and Doctoral studies;

(c) allowances given under the program may cover cost of fees, books, lodgings for self and dependents, additional "shelter allowance" under special circumstances, training (personal) allowances which follow the Manpower rate structures, clothing allowance where need is established, special clothing allowance if nature of course demands this, allowance for special tutorial assistance, and allowances to cover special services (e.g. child-care) or contingencies;

(d) additional incentive benefits are provided to students in masters or doctoral programs;

(e) students must be resident in Canada at time of application for assistance, and should have gained admittance to a Canadian university or college, unless the desired program is not being offered in this country. If programs are to be taken in the U.S., qualifications received should be acceptable within the Canadian professional context;

(f) students must demonstrate a willingness to meet the academic and financial management responsibilities of the program in order to continue to receive such assistance;

(g) the program can be administered either by departmental counselling staff or, where this is requested, by band counsellors working under the direction of band administrative officers or a band school committee;

(h) if a student feels that the program is not being properly applied to his/her case, there shall be access to an appeal board, consisting of an educational representative from the student's band (or a native student body representative, if away from home), a designate of the regional director-general, and a representative from the educational institution involved. Decisions of the appeal board shall be consistent with the program policy, and shall be final and binding.

CROWN ASSETS DISPOSAL CORPORATION

Question No. 465—**Mr. Bawden:**

1. With reference to the answer to Question No. 1,336, Part 4, and the answer to Question No. 1,861, Part 5, of the Third Session of the 30th Parliament, do the answers conflict and, if so, how many employees have been promoted from within the Crown Assets Disposal Corporation during the period 1973-1977?

2. Were 62 employees from outside the Public Service hired in the head office of the Corporation during the period 1973-1977?

3. If only three employees were promoted from within the Corporation during the period 1973-1977 and 62 were hired from outside the Public Service during the same period, for what reason have the policies and practices of the Corporation's administration not produced a better result in the degree of internal promotion?

4. Is there an on-the-job improvement training scheme in operation for employees of the Corporation and, if so, how many employees have used such a scheme?

5. Would not a higher percentage of internal promotion in relation to the number of employees hired from outside the Public Service make a contribution to employee attitudes and morale within the Corporation?

Hon. Pierre De Bané (Minister of Supply and Services): 1. No.

2. Yes.

3. The corporation has followed its policy on internal promotion as set out in its collective agreement.

4. No.

5. The corporation could only speculate on the suggestion contained in the questions as no studies of this nature are available.

QUEBEC SMALL FARM DEVELOPMENT

Question No. 473—**Mr. Wise:**

1. With reference to the answer to Question No. 1,793 of the Third Session of the 30th Parliament in which it was stated, that $15,890.79 was given by the Department of Agriculture to Laval University to "study the impact of the small farm development program in the province of Quebec", what were the results of the study?

2. Was the impact of the small farm development program studied in other provinces and (a) if so (i) who conducted them (ii) on what date did they occur (iii) what was their cost (b) if not, for what reason?

3. Does the Department have to go outside to study the impact of its programs and, if so (a) for what reason (b) is its personnel not capable of doing their own impact studies?

Hon. E. F. Whelan (Minister of Agriculture): 1. This study surveyed 97 farmers who had received amalgamations vendor assistance grants and 113 purchasers of farms from vendors who had received assistance. It was found that both vendors and purchasers were generally well satisfied with the transactions and adjustments which the program facilitated. The study also found that while medium-to-large scale farmers who purchased small farms were able to integrate and develop the acreage acquired very quickly, smaller farmers needed proper counselling to ensure effective management of the additional land and the associated investment. Special credit for purchasers was found to be of marginal usefulness in Quebec, but the option for vendors to keep their houses was found to be a useful and advantageous feature.

2. A report is currently being written on an interim impact assessment of the Small Farm Development Program in the provinces of Alberta, Saskatchewan, Manitoba, New Brunswick and Prince Edward Island.

(a) (i) This assessment is being carried out by Dr. R. St. Louis of Quebec City. (ii) Field surveys were carried out during March and April of 1977. (iii) Estimated cost of the study is $110,000.

3. (a) and (b) Agriculture Canada personnel are capable of carrying impact studies, but circumstances warranted the use of outside expertise for the following reasons:

(i) The staff time required to carry out this study was not available within the department, and

(ii) An outside assessment was desired to bring fresh insights and to ensure that the assessment was detached and free from any vested interest.

Order Paper Questions

CROWN ASSETS DISPOSAL CORPORATION

Question No. 475—**Mr. Bawden:**

1. Does the Surplus Crown Assets Act state that all surplus items in departments must be reported to the Minister of Supply and Services and, if so, do the departments comply with this and, if not, for what reason?

2. Was Mr. Clair Adams hired by Crown Assets Disposal Corporation as Vice-President Procurement and, if so, what are his duties?

3. Is Mr. Adams a retired public servant?

Hon. Pierre De Bané (Minister of Supply and Services): 1. No. Section 3(2) of the act identifies the property which need not be included in a report to the minister.

2. Clair Adams is the vice-president of supply. The officer has as key responsibility the development of mechanisms and channels of communication which will permit the introduction of responsive and effective operational strategies. In addition, the officer will act as an adviser for the president on matters of policy, development, performance measurement and evaluation.

3. Yes.

RESEARCH—YORK UNIVERSITY

Question No. 477—**Mr. Hnatyshyn:**

1. Did the government provide funds to the Institute of Behavioural Research, Survey Research Centre, York University, Toronto, to conduct a survey across Canada which concerns problems of Canadians living in and around urban centres and, if so (a) in what amount (b) for what purpose is the research to be used (c) on what dates will the data from the survey be provided to the government?

2. Are persons interviewed being advised that such research is being funded by the government and will the results of the survey be made public upon completion?

Hon. André Ouellet (Minister of State for Urban Affairs): 1. (a) The ministry contracted with the Institute for Behavioural Research, York University, Toronto, to conduct a survey of urban priorities of Canadians living in the major metropolitan centres. The contract is not to exceed the amount of $576,588.

(b) The survey will provide a systematic profile of public priorities and an up-to-date picture of variations within Canadian cities which will allow the ministry and other federal agencies to direct federal government urban-related program and policy efforts to areas of greatest need, thus allowing for more effective and efficient use of federal resources.

(c) The date is expected to be available in April, 1979.

2. (a) Interviewers were instructed that if persons to be interviewed ask who is sponsoring the research, they be told that the study is funded by the federal government.

(b) The results of the survey will be made public. The ministry intends to make the results available to provinces and officials in those municipalities in which interviews were conducted. By means of a published report, the results of the survey will be available to a wide range of professionals and interested members of the public.

Order Paper Questions

UIC—PROSECUTIONS

Question No. 512—**Mr. Robinson:**

From 1968 to date, how many prosecutions against employers have resulted under the Unemployment Insurance Act in (a) the Province of Ontario (b) Canada?

Hon. Bud Cullen (Minister of Employment and Immigration):

Year	(a) Ontario	(b) Canada
1968		
1969		
1970	No record of employer prosecutions for this period	
1971		
1972		
1973	Not available	5
1974	0	10
1975	33	54
1976	14	207
1977	0	581
*1978	3	427

*Year to date, August 1978.

NATIONAL FISH AND SEAFOOD MONTH

Question No. 515—**Mr. Wenman:**

1. What amount was set aside for the research, development and promotion of National Fish and Seafood Month, sponsored by the Minister of Fisheries and Oceans?

2. (a) How many recipe pamphlets will the government sponsor (b) to whom are these pamphlets to be distributed and what is the method of distribution (c) what other promotional materials are involved and what is the method of distribution, if different from that for the recipe pamphlets (d) what is the cost breakdown for the production and distribution of the promotional materials?

3. (a) Were all of the research, development and promotion aspects of this programme carried out within the Ministry of Fisheries and Oceans or were consultants used (b) if consultants were used, what responsibilities were assigned to them and what was the remuneration and their name?

Mr. Jack Pearsall (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. Approximately $400,000 was the cost estimate for the November Fish and Seafood promotion campaign.

2. (a) It is estimated that about 150,000 recipe booklets will be requested during the year as a result of the promotion.

(b) To consumers, food editors and dieticians by mail and handouts.

(c) Other promotional material includes: 30 second TV commercials, magazine and newspaper ads and in-store promotion material for the food retail trade, produced and distributed by an advertising agency.

(d) The production and distribution cost breakdown is estimated as follows: TV $57,600; magazines $25,200; newspapers $21,600; printed material $15,600.

[Mr. Ouellet.]

3. (a) The promotion aspects of the programme were carried out partly by Fisheries and Oceans and partly by an advertising agency.

(b) The following responsibilities were assigned to the Wilshar Advertising Agency Limited of Halifax, Nova Scotia: to create, produce and execute a national bilingual electronic and printed media programme to promote the designation of November as National Fish and Seafood Month.

About three-quarters of the total advertising budget of $320,000 is spent for purchasing advertising space and time. Wilshar's remuneration is the balance of this budget for developing the campaign, production costs and implementation plus a standard 15 per cent commission from the news media for the placement of the advertisement.

AIR TERMINAL FACILITIES

Question No. 518—**Mr. Mazankowski:**

Does the Department of Transport have a policy regarding the level of service provided to handicapped travellers at Canadian airport terminal buildings and (a) if so, what is the policy (b) if not, on what date will such a policy be developed?

Hon. Otto E. Lang (Minister of Transport): Yes. Transport Canada has had a policy in effect since late 1974 entitled "Facilities For The Handicapped At Air Terminal Complexes."

(a) The policy states, in general, that provision shall be made at air terminal complexes during design for new or modified facilities to ensure that appropriate access to and use of normal public facilities are provided for the handicapped.

(b) Not applicable.

CROWN ASSETS DISPOSAL CORPORATION

Question No. 519—**Mr. Bawden:**

In (a) 1973 (b) 1974 (c) 1975 (d) 1976 (e) 1977, what was the percentage relation between amounts recovered by Crown Assets Disposal Corporation from the sale of surplus assets and the Corporation's administration costs?

Hon. Pierre De Bané (Minister of Supply and Services):

(a) 7.7 per cent;

(b) 7.7 per cent;

(c) 10.3 per cent;

(d) 15 per cent;

(e) 11.4 per cent.

Note: For the years 1973, 1974 and 1975 the sale of lands was included, thus affecting the percentage required for the administration.

MR. W. O. MORRISON

Question No. 524—**Mr. Malone:**

Was any person named W. O. Morrison hired in any capacity to work for the government or as a personal staff member to any Cabinet Minister and, if so (a)

with what agency, department or Cabinet Minister (b) what is his job description (c) where is his office located (d) on what date did he commence employment (e) what is his annual salary (f) what are the criteria which determine his allowable travel expenses (g) what is to be the length of his employment (h) under which vote in the Estimates (i) is his salary drawn (ii) are his travel and operational expenses drawn?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: Yes.

(a) The hon. Jack Horner;

(b) Special assistant to the minister;

(c) Office of the Minister of Industry, Trade and Commerce;

(d) March 20, 1978;

(e) Up to $24,850;

(f) Treasury Board travel directive;

(g) At direction of minister;

(h) (i) and (ii) Vote 1A, Department of Industry, Trade and Commerce.

SEARCH AND RESCUE

Question No. 541—**Mr. McKinnon:**

1. Did the Department of National Defence issue a press release on December 3, 1976, saying *inter alia* "... the measures to improve Search and Rescue facilities will cost approximately $8 million initially; and, with full implementation in two to three years, could cost as much as $40 million" and, if so, what amount of the $40 million has been spent and for what major items?

2. How much was spent on each coast?

Hon. Barney Danson (Minister of National Defence): 1. Yes. The total program for both coasts will cost $36.94 million, which includes $1.58 million for construction at Gander, Newfoundland.

The program is divided into two phases.

Phase I will provide improved navigation and radio aids and the addition of Night Sun Searchlight to helicopters at a cost of $8.63 million.

Phase II will provide extended range, an improved rescue hoist and an improved night/adverse weather capability at a cost of $26.73 million.

Phase I will be completed in January, 1979 and Phase II will then commence with completion targeted for late 1982.

2. Due to the interrelationship of phase I and phase II and the requirement to rotate helicopters through each phase, actual funds spent at each coast are difficult to delineate. However, when the program is completed funds spent will total as follows:

East coast (including $1.58 million for construction at Gander)	$20.86 million
West coast	$12.86 million

In addition $3.22 million will be spent on improved helicopter capabilities which will be shared by both coasts.

Order Paper Questions

PARACHUTE MAINTENANCE DEPOT

Question No. 544—**Mr. McKinnon:**

Have any plans been made to move the Canadian Forces Parachute Maintenance Depot from Edmonton to Petawawa and (a) if so, on what date will the move take place and at what cost (b) if not, for what reason?

Hon. Barney Danson (Minister of National Defence): No.

(a) Not applicable.

(b) In the present location adequate services are provided for the whole of the Canadian Forces.

AIRCRAFT—INERTIAL NAVIGATION SYSTEMS

Question No. 545—**Mr. McKinnon:**

Are DND's five Boeing 707s being fitted with Litton LTN-51 inertial navigation systems and, if so (a) for what reason (b) at what cost?

Hon. Barney Danson (Minister of National Defence): No.

(a) and (b) Not applicable.

AVGP EQUIPMENT

Question No. 546—**Mr. McKinnon:**

Are any (a) regular (b) militia units going to receive the new AVGP and, if so (i) which units (ii) in each case, on what date and how many of each AVGP variant?

Hon. Barney Danson (Minister of National Defence): (a) and (b) Yes.

(a) (i) and (ii) For planned distribution to regular units see table below.

(b) (i) and (ii) For planned distribution to the militia on the basis of region, see table below.

In addition a number of AVGPs are being distributed to training and test establishments. See table below.

Note: The three variants of AVGPs are as follows:
Wheeled armoured personnel carrier (WAPC)—Grizzly
Wheeled fire support vehicle (WFSV)—Cougar
Wheeled maintenance and recovery vehicle (WMRV)—Husky

Unit	Type	Quantity	Delivery Dates
1 PPCLI	Grizzly	26	June to August, 80
	Husky	2	November, 80
2 PPCLI	Grizzly	4	May, 79
		8	October, 79
		8	November, 79
		6	December, 79
	Husky	2	April, 80
3 PPCLI	Grizzly	26	September to December, 80
	Husky	2	December, 80

Order Paper Questions

Unit	Type	Quantity	Delivery Dates
1 RCR	Grizzly	4	January, 79
		6	February, 79
		7	March, 79
		1	April, 79
		8	May, 79
	Husky	2	February, 80
2 RCR	Grizzly	1	November, 78
		1	December, 78
		3	January, 79
		21	March to May, 80
	Husky	2	October, 80
2 R 22e R	Grizzly	4	May, 79
		8	July, 79
		8	August, 79
		6	September, 79
	Husky	2	March, 80
3 R 22e R	Grizzly	4	January, 80
		22	February, to March, 80
	Husky	2	July, 80
LdSH (RC)	Cougar	13	April to June, 80
		13	August to October, 80
		13	May to June, 81
	Husky	2	September, 80
8 CH	Cougar	4	October, 79
		9	February to March, 80
		13	October to December, 80
	Husky	2	August, 80
12e RBC	Cougar	4	October, 79
		9	March to April, 80
		13	June to August, 80
		13	June to August, 81
	Husky	2	May, 80

Region	Type	Quantity	Delivery Date
Pacific	Cougar	4	December, 80
	Grizzly	8	January, 81
Prairie	Cougar	8	January, 81
	Grizzly	8	February, 81
Central	Cougar	16	February to March, 81
	Grizzly	17	March to April, 81
Eastern Section	Cougar	8	April, 81
	Grizzly	12	May to June, 81
Atlantic	Cougar	5	May, 81
	Grizzly	10	July to August, 81
Combat Training Centre	Cougar	1	November, 78
		2	May, 79
		1	June, 79
		2	July, 79
		4	September, 79
		8	November, 79
		4	December, 79
		7	January, 80
	Husky	2	June, 80
Canadian Forces School Aerospace and Ordonance Engineering	Cougar	1	November, 78
		1	April, 79
	Grizzly	1	November, 78
		1	January, 79
		1	February, 79
	Husky	1	June, 79
Land Environmental Test Establishment	Cougar	1	March, 79
	Grizzly	1	November, 79

[Mr. Danson.]

CANADA COUNCIL GRANTS

Question No. 551—**Mr. Jones:**

1. What was the purpose of the special $50,000 grant of "unity money" administered by the Touring Office of the Canada Council to twenty modern dance companies? What groups received this money and what were the respective portion for each?

2. What was the basis used to determine the eligibility for this "unity money" by various groups?

3. Will these grants be given again in 1979? From what governmental department was this money made available? Will the same department put up this amount or more for 1979?

4. Will grants of this type be available to other artistic groups so that they might find sponsors?

Hon. John Roberts (Secretary of State): I am informed by the Canada Council as follows:

1. Grants towards travel and per diem costs, in support of participation in the Toronto Dance Festival (September 19-October 22, 1978) and in the Montreal 'Octobre en Danse' festival (October 11-21, 1978), were awared to the companies and individuals listed below. The Council originally envisaged grants to about 20 applicants at a cost not exceeding $50,000; in the event, 18 grants totalling $48,556 were made.

Company	Grant $	Festival
Ballets Jazz, Montreal	4,183	Toronto
Contemporary Dancers, Winnipeg	9,009	Toronto and Montreal
Entre-Six, Montreal	1,640	Toronto
Fulcrum, Vancouver	1,560	Toronto
Louise Garfield, Toronto	600	Montreal
Les Grands Ballets, Montreal	600	Toronto
Groupe Nouvelle Aire, Montreal	2,337	Toronto
Groupe de la Place Royale, Ottawa	2,968	Toronto and Montreal
Halifax Dance Co-op, Halifax	2,155	Toronto and Montreal
Judy Jarvis Dance & Theatre Co., Toronto	1,180	Montreal
Judith Marcuse, Vancouver	1,484	Montreal
Jean-Pierre Perreault, Ottawa	440	Montreal
Linda Rabin, Vancouver	522	Montreal
Regina Modern Danceworks, Regina	4,888	Toronto
Paula Ross Dancers, Vancouver	5,210	Toronto
Royal Winnipeg Ballet, Winnipeg	5,272	Toronto and Montreal
Theatre Beyond Words, Niagara-on-the-Lake	1,230	Montreal
Toronto Dance Theatre, Toronto	3,278	Montreal

2. Canadian professional companies or individuals are considered eligible for travel funding for this purpose if they:

(a) apply, proposing realistic travel plans;

(b) are invited by the organizers of the festival;

(c) meet high standards in their particular dance form;

(d) come from another province, or from more than 250 miles from the festival;

(e) are not already receiving subsidy for a tour which includes the locale of the festival.

3. The funds were part of a government grant to the Canada Council approved by parliament. It is not yet known whether funds will be available to permit similar support in 1979.

4. Yes in principle, subject to the availability of funds and the eligibility requirements summarized in 2. above.

GRAIN HOPPER CARS

Question No. 555—**Mr. Hare:**

1. How many grain hopper cars were manufactured for the government and at what manufacturing locations?

2. What is the usage rate of the cars in comparison to the rate of usage of regular box cars?

3. On the basis of volume of cars and turnaround rate, what is the efficiency comparison of the hopper cars versus the box cars?

4. What are the future plans for construction of grain hopper cars?

Hon. Otto E. Lang (Minister of Transport): Transport Canada advises as follows:

1. A total of 8000 hopper cars as follows:

	Hawker Siddeley	Marine Industries	National Steel
1972/73	700	500	800
1976/77	1400	1000	1600
1977/78	688	488	824
Total	2788	1988	3224

2. Government hopper car unloadings relative to the total car unloads has climbed from 8.6 per cent in 1974 to 30.1 per cent in 1977.

3. An average of 45.7 per cent more tonnage per car mile was carried in government hopper cars in 1977 than in railway-owned boxcars.

4. This matter is under active consideration.

NATIONAL ANTI-POVERTY ASSOCIATION

Question No. 558—**Mr. Neil:**

Does the Department of National Health and Welfare or any other department fund the National Anti-Poverty Association or any of its provincial branches and, if so, what was the extent of the funding since the formation of the organization?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned: yes. The National Anti-Poverty Organization, since its incorporation in 1973, has received to date $577,273 in contributions and grants from the Department of National Health and Welfare.

Fiscal Year	Contributions	Sustaining Grant	Total
1974/75	5,000	—	
	8,100	—	
	60,987	—	74,087
1975/76	1,099	—	
	2,044	—	
	120,000	—	123,143
1976/77	135,293	—	135,293
1977/78	—	136,000	136,000
1978/79	—	108,750	108,750
	332,523	244,750	577,273

WATER REQUIREMENTS

Question No. 559—**Mr. Laprise:**

Did the government estimate hydraulic resources and water requirements with regard to consumption, irrigation, industrial uses and hydro-electric production for the next few years and was a report published and, if so, on what date?

Mr. Yvon Pinard (Parliamentary Secretary to President of Privy Council): I am informed by Environment Canada and the Department of Indian Affairs and Northern Development as follows:

Environment Canada conducts research and data collection programs on the quantity and quality of inland waters and publishes regular reports. Surveys of current water use in municipalities and large industries are also conducted and the results published. In conjunction with provincial government, forecasts of water use have been prepared for specific regions and the results used to develop water management plans. These planning studies have been published and can be obtained from the Editorial and Publications Division, Inland Waters Directorate, Environment Canada, 6 Floor, Place Vincent Massey, Hull, Quebec".

In so far as the Department of Indian Affairs and Northern Development is concerned:

Yes.

Power survey of the Kazan, Dubawnt, Thelon and Hanbury River Basins, N.W.T.—March, 1970.

Southern Great Slave Lake Region Power Potential—August, 1974.

Yukon and N.W.T. Power Survey, Pre-reconnaissance study—September, 1971.

The Development of Power in the Yukon—January, 1975.

Yukon and N.W.T. Power Study (Bathurst Inlet)—Being prepared.

EXPENDITURE ON FREIGHT

Question No. 562—**Mr. Baker (Grenville-Carleton):**

1. During the past year, what was the total expenditure of freight including the movement of personal effects from Canada to other countries by the Department of External Affairs and other departments and agencies processed through the Central Freight Service and Central Removal Service of the Department of Supply and Services, excluding shipments which were made from Canada to the United States?

2. What amount of this traffic was moved by air and how much was moved by Canadian carriers?

3. How much of the total traffic was handled by (a) Panalpina World Transport Ltd. (b) Elmac World Transport Ltd.?

Hon. Pierre De Bané (Minister of Supply and Services): 1. Central Freight Service

The total value of the invoices processed by central freight service covering the movement of freight to other countries,

excluding the United States, during the 12 month period ending September 30, 1978 was:

(a) External Affairs	$229,801.63
(b) Other Departments, agencies	416,360.71
	$646,162.34

Central Removal Service

The total expenditure by central removal service covering the movement of personal effects to other countries, excluding the United States, during the 12-month period ending September 30,1978, was:

(a) In the Department of External Affairs, nil.

(b) For other Departments and agencies, $9,182.66.

2. Central Freight Service

By air	$472,320.97
By Canadian carriers	$237,710.88

Central Removal Service

Of the $9,182.66 referred to in "1" covering central removal service, $7,080.78 was moved by air and $5,291.68 of this amount was moved by Canadian carriers.

3. Central Freight Service

The portion of the total traffic shown in "1" covering central freight service handled by (a) Panalpina was—$402,756.19 and (b) Elmac was—$30,625.73. The control of the routing of this traffic and consequently the choice of the supplier of this service rests with the customer departments.

Central Removal Service

None of the household goods traffic was handled by either (a) Panalpina World Transport Ltd. or (b) Elmac World Transport Ltd.

CANADIAN ARMED FORCES

Question No. 577—**Mr. McKinnon:**

By rank, how many Canadian Armed Forces (a) officers (b) enlisted personnel are involved in (i) naval (ii) land (iii) air operations?

Hon. Barney Danson (Minister of National Defence): (a) and (b)

(i) Naval operations cover the classification as listed in table below. The breakout by rank is as follows:

Officers		Other Ranks	
Colonel	46	Chief Warrant Officer	148
Lieutenant-Colonel	125	Master Warrant Officer	422
Major	346	Warrant Officer	638
Captain	442	Sergeant	978
Lieutenant	336	Master Corporal	793
Second Lieutenant	69	Corporal/Private	4,389
Officer Cadet	292	Total	7,368
Total	1,656		

(ii) Land operations cover only infantry, artillery and armour. Land operations combat support elements such as engineers, signals etc. are all part of unifield elements and to identify those portions which are in immediate support of land operations would entail a long and detailed analysis for which the department does not have the necessary resources. The following figures are for infantry artillery and armour personnel:

Officers		Other Ranks	
Colonel	50	Chief Warrant Officer	81
Lieutenant-Colonel	135	Master Warrant Officer	208
Major	394	Warrant Officer	527
Captain	660	Sergeant	1,130
Lieutenant	361	Master Corporal	1,342
Second Lieutenant	53	Corporal/Private	6,748
Officer Cadet	293	Total	10,036
Total	1,946		

(iii) Air operations cover the classifications listed in table below. The breakout by rank is as follows:

Officers		Other Ranks	
Colonel	99	Chief Warrant Officer	126
Lieutenant-Colonel	304	Master Warrant Officer	336
Major	927	Warrant Officer	785
Captain	2,238	Sergeant	1,833
Lieutenant	559	Master Corporal	2,744
Second Lieutenant	107	Corporal/Private	6,517
Officer Cadet	616	Total	12,341
Total	4,850		

Officer Classifications	Other Ranks Trades
Maritime Engineering	Boatswain
Maritime Surface and Sub-Surface	Clearance Diver
	Communications Technician (Sea)
	Electrical Technician
	Electronic Warfare Operator
	Electronic Warfare Technician
	Firecontrolman
	Firecontrol Technician
	Hull Technician
	Marine Engineering Technician
	Oceanographic Operator
	Radar Plotter (Sea)
	Radar Technician (Sea)
	Radioman (Sea)
	Signalman (Sea)
	Sonarman (Sea)
	Sonar Technician
	Weaponman Surface
	Weaponman Underwater
	Weapons Surface Technician
	Weapons Underwater Technician
Aerospace Engineering	Aero Engine Technician
Air Navigator	Air Defence Technician
Air Traffic Control	Airframe Technician
Air Weapons Control	Air Traffic Control Assistant
Flight Engineer	Air Traffic Controller
Meteorology	Aviation Technician
Pilot	Avionics Technician
	Communications Systems Technician
	Flight Engineer
	Instrument Electrical Technician
	Integral Systems Technician
	Machinist
	Metals Technician
	Meteorological Technician Observer
	Photographic Technician
	Radar Systems Technician
	Refinisher Technician
	Safety Systems Technician
	Weapons Technician (Air)

Question No. 578—**Mr. McKinnon:**

By rank, how many Canadian Armed Forces (a) female (b) male officers are (i) lawyers (ii) doctors (iii) dentists (iv) accountants (v) professional engineers (vi) nurses (vii) ministers of religion?

Hon. Barney Danson (Minister of National Defence):

		Female	Male	
(i)	Colonel		6	
	Lieutenant-Colonel		10	
	Major	2	12	
	Captain	1	15	
(ii)	Colonel		21	
	Lieutenant-Colonel	1	40	
	Major	6	112	
	Captain	19	125	
	Lieutenant	6	35	
	Second Lieutenant	15	84	
	Officer Cadet	1	2	
(iii)	Colonel		7	
	Lieutenant-Colonel		18	
	Major		57	
	Captain	5	82	
	Second Lieutenant	6	40	
	Officer Cadet		3	
(iv)	Lieutenant-Colonel		3	See note 1
	Major		63	
	Captain	6	231	
	Lieutenant	7	53	
(v)	Colonel		79	See note 2
	Lieutenant-Colonel		245	
	Major		730	
	Captain	3	1,389	
	Lieutenant	6	495	
	Second Lieutenant		17	
	Officer Cadet	14	474	
(vi)	Colonel	2		
	Lieutenant-Colonel	2		
	Major	20		
	Captain	165	9	
	Lieutenant	159	14	
	Officer Cadet	5	1	
(vii)	Colonel		4	
	Lieutenant-Colonel		14	
	Major		65	
	Captain		83	
	Officer Cadet		1	

NOTE 1 Statistics for "accountants" reflect all qualified finance officers in the Canadian Forces.

NOTE 2 Statistics for "professional" engineers reflect all qualified engineering officers in the Canadian Forces and not only those who are members of the professional Engineering Association of Canada.

Question No. 579—**Mr. McKinnon:**

By rank, how many (a) officers (b) enlisted personnel in the Canadian Armed Forces are (i) female (ii) male?

Hon. Barney Danson (Minister of National Defence):

(a)	(i) Female	(ii) Male
General		1
Lieutenant-General		8
Major-General		23
Brigadier-General		78
Colonel	3	314
Lieutenant-Colonel	6	908
Major	41	2,859
Captain	291	5,789
Lieutenant	254	1,826
Second Lieutenant	31	352
Officer Cadet	100	2,097
Total	726	14,255
(b) Chief Warrant Officer		800
Master Warrant Officer	4	2,096
Warrant Officer	14	4,190
Sergeant	123	9,665
Major Corporal	236	10,601
Corporal/Private	3,610	32,740
Total	3,987	60,092

HEALTH AND WELFARE—CIGARETTE ADVERTISEMENTS IN QUEBEC

Question No. 584—**Mr. Cossitt:**

1. Did the Department of National Health and Welfare place warnings on cigarette advertisements in transportation systems in Quebec, specifically in the metro or in buses in Montreal and, if so (a) at what cost (b) were the warnings printed in the French language only and, if so, for what reason (c) does the government who advocates two official languages, consider itself bound by any Quebec legislation in regard to unilingual advertisements and, if so, for what reasons and on what grounds?

2. If such cigarette advertisements were placed by tobacco companies and not the government, what are all the reasons that the government does not insist that the warning regarding health and cigarettes be printed in the two official languages?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned:—

1. No. The Department of National Health and Welfare did not place warnings on cigarette advertisements in transportation systems in Quebec. (a) Not applicable; (b) Not applicable; (c) Not applicable.

2. Cigarette advertisements are placed by the tobacco companies in accordance with the requirements of province of Quebec language legislation.

CANADA SAVINGS BONDS—ADVERTISEMENT IN QUEBEC

Question No. 585—**Mr. Cossitt:**

Did the Department of Finance place advertisements for Canada Savings Bonds in transportation systems in Quebec, specifically in the metro or in buses in Montreal and, if so (a) at what cost (b) were the advertisements printed in the French language only and, if so, for what reason (c) does the government who advocates two official languages, consider itself bound by any Quebec legislation in regard to unilingual advertisements and, if so, for what reasons and on what grounds?

Hon. Jean Chrétien (Minister of Finance):

(a) Yes, the Department of Finance did authorize Canada Savings Bond advertisements in transportation systems in Quebec and these advertisements were placed only in the metro and buses in Montreal. The total cost of these advertisements was $18,189.

(b) The advertisements were printed in the French language only, as has been the practice since this form of advertising was first used for CSBs in 1973. Each year the CSB advertising has incorporated a separate French and English campaign

theme so as to better serve Canada's two major cultural groups. This has meant that some posters have to be designed in unilingual form but in most cases both French and English posters are displayed together. In the case of the metro and bus advertising in Montreal, the government's French advertising agency for CSBs recommended the use of French only posters to create greater awareness of CSBs in the very large Montreal French market so as to supplement advertising in daily newspapers. Advertisements in newspapers and in most financial institutions were in both French and English.

(c) The government in its Canada Savings Bonds advertising program does not consider itself bound by any Quebec legislation in regard to unilingual advertisements.

SUPERANNUATION ACCOUNT

Question No. 624—**Mr. Francis:**

What would be the amount of money to the credit of the Superannuation Account in the years (a) 1990 (b) 2025, if no changes were made to the Public Service Superannuation Plan and using the same assumptions that the Tomenson-Alexander study used in making its projections, namely, an average retirement age of 61.5 years, an average rate of inflation of 6 per cent per year compounded, an average rate of salary increase of 8½ per cent per year compounded and an average rate of interest earnings of 8¼ per cent per year compounded?

Hon. Judd Buchanan (President of the Treasury Board): (a) $39,872,700,000; (b) $1,197,387,800,000.

WARHEADS—SPACE RESEARCH CORPORATION, QUEBEC

Question No. 635—**Mr. McKinnon:**

For what type of guided missile did the Department of National Defence order $86,061 worth of warheads from Space Research Corporation, Quebec and, how many warheads does this cover?

Hon. Barney Danson (Minister of National Defence): The contract was for unfilled developmental warheads for the Canadian C-14 (CRV-7) 2.75 inch unguided rocket. The contract covers 300 warheads.

RESEARCH—ACOUSTIC ANALYSIS OF HUMAN SPEECH

Question No. 636—**Mr. McKinnon:**

Has a contract for $56,723 been awarded on behalf of DND to Queen's University, Kingston, Ontario, for research on the development of acoustic analysis of human speech and, if so (a) what is the purpose of the research (b) will the results be made available to members of parliament?

Hon. Barney Danson (Minister of National Defence): (a) Yes. To carry out new investigations in the field of automatic speech recognition in order to fill gaps in our knowledge relating to the use of speech control systems by the Canadian Armed Forces. (b) Yes. Results will be available to members of parliament on request.

[Mr. Chrétien.]

DND—CONTRACT FOR TERRAIN EVALUATION

Question No. 637—**Mr. McKinnon:**

Was a contract for $63,396 awarded on behalf of DND to McGill University, Montreal, Quebec for terrain evaluation related to Canadian Forces vehicle mobility — phase II and, if so (a) what is the purpose of the study (b) which types of terrain are being evaluated (c) which vehicles are being evaluated?

Hon. Barney Danson (Minister of National Defence): (a) Yes. To analyse surface characteristics of representative northern Canadian terrains as a basis for trafficability maps, vehicle design specifications, mobility index and a data source for a computer model. (b) The Caribou Hills area of the MacKenzie River, North West Territories and Churchill, Manitoba. (c) The study does not include evaluation of vehicles.

FUNDING FOR NEW FIGHTER AIRCRAFT

Question No. 640—**Mr. McKinnon:**

Did the NFA's request for proposals indicate to the competitors that funds available in 1977 dollars amounted to $5 million in 1978-79, $25 million in 1979-80, $80 million in 1981 and to no more than 15% of total contract value for each following year to 1986-87 and, if so, have there been any changes to this funding schedule and what are they?

Hon. Barney Danson (Minister of National Defence): Yes. There have been no changes to the funding schedule provided to the competitors.

CONTRACT—AIRWEST AIRLINES LTD., RICHMOND, B.C.

Question No. 641—**Mr. McKinnon:**

Was Airwest Airlines Ltd., Richmond, British Columbia, awarded a contract of (a) $132,000 (b) $24,039 for air services class 7 (drop testing of sonobuoys) at Nanoose, B.C. and, if so, for what reason was this work contracted out?

Hon. Barney Danson (Minister of National Defence): Yes. The reason this work was contracted out was that for such sonobuoy drop tests it is more economical to use a commercial aircraft than a complex, sophisticated and more costly to operate military aircraft.

AIRCRAFT—CF-101 VOODOO

Question No. 643—**Mr. McKinnon:**

With reference to the answer to Question No. 326, on what date will the technical publications be available?

Hon. Barney Danson (Minister of National Defence): The first section will be available in August, 1979 and all sections will be available by March, 1980.

LOCKHEED AIRCRAFT CORPORATION

Question No. 644—**Mr. McKinnon:**

1. Was Lockheed Aircraft Corporation paid the progress payment on the LRPA contract of (a) $9,959,000 due on October 31, 1977 (b) $10,518,000 due on November 30, 1977 (c) $11,408,000 due on December 31, 1977 (d) $13,596,000 due on January 31, 1978 (e) $14,587,000 due on February 28, 1978 (f) $7,034,000 due on March 31, 1978 (g) $21,340,000 due on April 30, 1978 (h) $10,899,000 due on May 31, 1978 (*i*) $11,121,000 due on June 30, 1978 (j) $11,189,000 due on July 31, 1978 (k) $11,620,000 due on August 31, 1978 (l)

$12,634,000 due on September 30, 1978 (m) $13,464,000 due on October 31, 1978?

2. Was Lockheed paid under the contract the (a) fifth Accomplishment Milestone Payment of $3,545,000 (b) sixth Accomplishment Milestone Payment of $7,076,000 (c) seventh Accomplishment Milestone Payment of $898,000 (d) eighth Accomplishment Milestone Payment of $915,000 (e) ninth Accomplishment Milestone Payment of $2,918,000?

3. Were any adjustments made to the LRPA contract price at the end of the third and fourth quarters of 1977 and the first, second and third quarters of 1978 in accordance with the formula and conditions set out in Articles 8.1, 8.2, 8.3 and 8.4 of the contract and, if so, what were they?

4. What is the estimated cost of the Comox Data Interpretation and Analysis Centre (a) in dollars (b) as a percentage of the cost of the Greenwood DIAC?

5. Have any modifications been made to the contract, including Progress and Accomplishment Milestone Payments Schedules, to accommodate the purchase of the Comox DIAC and, if so, what are they?

6. Is the purchase of the Comox DIAC being handled separately and, if so, in what manner?

7. With reference to the Greenwood DIAC, for what reason and in what way has it been re-configured?

Hon. Pierre De Bané (Minister of Supply and Services):

1. (a) Yes, but in the amount of $10,645,434

(b) Yes, but in the amount of $11,917,000

(c) Yes, but in the amount of $13,374,000

(d) Yes, but in the amount of $15,794,200

(e) Yes, but in the amount of $16,358,800

(f) Yes, but in the amount of $ 8,414,000

(g) Yes, but in the amount of $19,784,592

(h) Yes, but in the amount of $10,155,114

(i) Yes, but in the amount of $12,177,488

(j) Yes, but in the amount of $10,457,926

(k) Yes, but in the amount of $11,909,000

(l) Yes, but in the amount of $12,741,000

(m) Yes, but in the amount of $12,755,113

The reason for the difference between the amounts paid and the amounts specified in the contract is that the contract has been amended to add the Comox DIAC, to advance delivery of certain contract work including advance procurement of production assets to support the flight test program, to introduce some holdbacks in payments due to strike related delays and to reflect credits related to the economic price adjustment provisions of the contract.

2. (a) to (e) Yes.

3. Economic Price Adjustments as follows:

(a) 3rd quarter 1977—$429,498 U.S. reduction

(b) 4th quarter 1977—$1,284,886 U.S. reduction

(c) 1st quarter 1978—$1,200,074 U.S. reduction

(d) 2nd quarter 1978—$875,887 U.S. reduction

(e) 3rd quarter 1978—to be determined.

4. (a) $5.0M (U.S.)

(b) approx. 20 per cent; however the Comox DIAC possesses a reduced capability to the Greenwood DIAC.

5. Yes.—Revised Progress Payment Table as per Amendment No. 8, March 9, 1978.

	Amount
January 31, 1978	$15,766,000
February 28, 1978	$16,246,000
March 31, 1978	$ 8,207,000
April 30, 1978	$20,211,000
May 31, 1978	$11,440,000
June 30, 1978	$12,161,000
July 31, 1978	$11,658,000
August 31, 1978	$11,909,000
September 30, 1978	$12,696,000
October 31, 1978	$13,631,000
November 30, 1978	$12,932,000
December 31, 1978	$ 1,963,000
January 31, 1979	$ 318,000
February 28, 1979	$ 340,000
March 31, 1979	$ 319,000
April 30, 1979	$59,721,000
May 31, 1979	$10,667,000
June 30, 1979	$11,092,000
July 31, 1979	$12,292,000
August 31, 1979	$13,318,000
September 30, 1979	$14,977,000
October 31, 1979	$14,376,000
November 30, 1979	$15,988,000
December 31, 1979	$19,550,000
January 31, 1980	$17,143,000
February 29, 1980	$11,476,000
March 31, 1980	$ 52,000
April 30, 1980	$42,811,000
May 31, 1980	$14,925,000
June 30, 1980	$17,514,000
July 31, 1980	$14,305,000
August 31, 1980	$10,879,000
September 30, 1980	$ 8,850,000
October 31, 1980	$ 7,279,000
November 30, 1980	$ 5,886,000
December 31, 1980	$ 6,611,000
January 31, 1981	$ 1,656,000
February 28, 1981	$ 2,914,000

6. The Comox DIAC was procured by amendment to the prime contract.

7. The configuration of the Greenwood DIAC was changed to reduce the requirement to rewrite computer software programs obtained from the U.S. Navy and apply the cost savings thus achieved to enable the procurement of a second DIAC with sufficient capability to meet the more limited operational needs for Comox. The changes incorporated in the Treenwood DIAC consisted primarily of substitution of certain sub-system equipment without any degradation in the over-all operational capability of the complete system.

Order Paper Questions

CAST COMBAT GROUP

Question No. 645—**Mr. McKinnon:**

1. Is the CAST combat group role assigned at the present time to the 5e Groupe-Brigade du Canada and, if so, what (a) manpower (b) equipment can the group contribute to AMF(L)?

2. Did the Minister of National Defence announce on October 31, 1978, that he wanted to base the CAST combat group role as much as possible on one formation, and did he also announce that effective September 1980, this role would be assigned to the Special Service Force and, if so, will the CAST combat group role rest solely with the SSF and, if not, which other units will also contribute to it?

3. When the role is assigned to the SSF, what (a) manpower (b) equipment will the group be able to contribute to AMF(L)?

Hon. Barney Danson (Minister of National Defence): 1. (a) and (b) Yes. However, manpower and equipment for the AMF(L) battalion group is provided by the special service force.

2. Yes. The special service force will only be augmented by one battalion group from one Canadian brigade group.

3. All.

DND BUDGET

Question No. 646—**Mr. McKinnon:**

1. Of the $150 million cut in DND's budget announced on September 8, 1978, what amount will be cut in the fiscal year (a) 1978-79 (b) 1979-80?

2. What amount will come from the (a) operations and maintenance budget (b) capital budget?

3. What effect will the $150 million have on the base figures in Votes 1 and 10 which are used in calculating budget increases in accordance with the 1975 formula for increases?

Hon. Barney Danson (Minister of National Defence): 1. (a) and (b) The $150 million reduction in the defence services budget will be made in fiscal year 1979-80.

2. (a) $102 million.

(b) $48 million—mostly in the capital construction program.

3. The reduction will be a one year decrease in spending authority and will not affect the base figures of vote 1 and vote 5 which will be used to calculate the next year's requirements in accordance with the 1975 formula. Vote 10 will not be affected by the reduction.

PROJECT SAMSON

Question No. 647—**Mr. McKinnon:**

Is Project SAMSON, originally scheduled for completion in mid-1976, now in (a) full (b) partial operation and if the latter, on what date will it be in full operation?

Hon. Barney Danson (Minister of National Defence): (a) No. (b) Yes. Early 1980.

[Mr. De Bané.]

NEW FIGHTER AIRCRAFT

Question No. 650—**Mr. McKinnon:**

1. On what date will delivery of the new fighter aircraft begin?

2. On what date will the new fighter aircraft enter squadron service?

Hon. Barney Danson (Minister of National Defence): 1. It is expected that the first aircraft will be delivered by the manufacturer in January, 1982.

2. Mid 1983.

U.I.C.—FREDERICTON, N.B.

Question No. 684—**Mr. Howie:**

As of November 1, 1978, approximately how many persons received unemployment insurance from the Fredericton, New Brunswick Office?

Hon. Bud Cullen (Minister of Employment and Immigration): Four thousand eight hundred. Beneficiary statistics are gathered at the end of every month. The above figure represents data gathered on October 31, 1978.

CANADA MANPOWER INDUSTRIAL TRAINING PROGRAM—FREDERICTON, N.B.

Question No. 685—**Mr. Howie:**

For the fiscal year ended March 31, 1978, how many persons have benefited from the Canada Manpower Industrial Training Programme in Fredericton, New Brunswick?

Hon. Bud Cullen (Minister of Employment and Immigration): During the fiscal year ended March 31, 1978, 604 persons commenced training under the Canada Manpower Industrial Training Program in Fredericton, New Brunswick.

EMPLOYMENT OFFICE—FREDERICTON, N.B.

Question No. 687—**Mr. Howie:**

On November 1, 1978, how many persons were registered for work at the Fredericton, New Brunswick employment office?

Hon. Bud Cullen (Minister of Employment and Immigration): On November 1, 1978, there was a total of 8,777 persons who were registered for work at the Fredericton, New Brunswick Canada Employment Centre.

ON THE JOB TRAINING—FREDERICTON, N.B.

Question No. 727—**Mr. Howie:**

Since January 1, 1978, how many persons have benefited from on the job training under the manpower training programmes in Fredericton, New Brunswick?

Hon. Bud Cullen (Minister of Employment and Immigration): During the period January 1, 1978 to December 11, 1978, 815 persons commenced training under the Canada Manpower Industrial Training Program in Fredericton, New Brunswick. All of this training involved on-the-job instruction.

DISTRIBUTION OF PUBLICATIONS

Question No. 733—**Mr. Bawden:**

1. What is the present distribution of government publications to full depository libraries in Canada?

2. Does the Department of Supply and Services propose to reduce the number of full depository libraries in 1979 and, if so (a) by what number (b) what cities or areas will be affected?

3. What is the present distribution of government publications to selective depository libraries in Canada?

4. Does the Department propose to reduce the number of selective depository libraries in 1979 and, if so (a) by what number (b) what cities or areas will be affected?

5. Is it considered that such a reduction is justified in view of the fact that the public is student, consumer, business person, scientist, academic, etc.?

6. In what way is it contemplated that the public will be kept informed if drastic reductions are contemplated in the present service?

7. Is it considered that the above plans conform with the expressed intention of the government to introduce freedom of information legislation in this parliamentary session?

Hon. Pierre De Bané (Minister of Supply and Services): 1. There are currently 47 full depository libraries in Canada.

2. No. (a) and (b) Alternatives are being explored to achieve the reduction of $2 millions in the subsidy for free and subsidized distribution of government publications.

3. There are presently 1,453 institutions, groups or individuals designated as selective depository libraries in Canada.

4. No. (a) and (b) Alternatives are being explored to achieve the reduction of $2 millions in the subsidy for free and subsidized distribution of government publications.

5. The reduction in expenditures is justified as are all reductions in expenditures which affect many programs. However, we will assure that the alternative selected minimizes the impact this reduction may have on the public.

6. The depositories in Canada will continue to provide the service of disseminating information.

7. There is no intention to restrict availability of published material to the public. Publications emanating from federal departments and agencies will continue to be both distributed free of charge to depositories and will be made available for purchase across Canada.

GREY CUP—1978

Question No. 737—**Mr. Howie:**

What amount was spent by the Ministry of State (Fitness and Amateur Sport) on the 1978 Grey Cup pre-game and half-time shows?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): In so far as the Minister of State (Fitness and Amateur Sport) is concerned: Nil.

DEPARTMENT OF LABOUR—LAWYERS

Question No. 741—**Mr. Howie:**

Did the Department of Labour engage outside lawyers or consultants in New Brunswick (a) in the fiscal year 1977-78 (b) from April 1 to December 1, 1978 and, if so, what were their names and what amount was each paid?

Order Paper Questions

Hon. Martin O'Connell (Minister of Labour): (a) J. Brian D. Malone, Lawyer—$2,146. (b) Nil

DSS—CONTRACTS TO IBM CANADA LTD.

Question No. 750—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to IBM Canada Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977 (i) 2,209 (ii) $19,354,000. (b) First nine months—1978 (i) 2,335 (ii) $29,008,000.

DSS—LITTON SYSTEMS (CANADA) LTD.

Question No. 751—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Litton Systems (Canada) Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 96; (ii) $3,735,000. (b) First 9 months—1978: (i) 92; (ii) $7,038,000.

DSS—DIGITAL EQUIPMENT OF CANADA

Question No. 752—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Digital Equipment of Canada in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 209; (ii) $4,559,000. (b) Fist nine months—1978: (i) 240; (ii) $4,944,000.

DSS—MULTIPLE ACCESS LTD.

Question No. 753—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Multiple Access Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 10; (ii) $54,000. (b) First nine months—1978: (i) 14; (ii) $700,000.

DSS—CANADIAN GENERAL ELECTRIC CO. LTD.

Question No. 754—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Canadian General Electric Co. Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 561; (ii) $3,047,000. (b) First nine months—1978: (i) 654; (ii) $4,533,000.

Order Paper Questions

DSS—ELECTROHOME LTD.

Question No. 755—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Electrohome Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 25; (ii) $669,000. (b) First nine months—1978: (i) 25; (ii) $374,000.

DSS—MAGNA INTERNATIONAL INC.

Question No. 756—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Magna International Inc. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 29; (ii) $298,000. (b) First nine months—1978: (i) 21; (ii) $2,530,000.

DSS—TEKTRONIX CANADA LTD.

Question No. 757—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Tektronix Canada Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977 (i) 404 (ii) $2,957,000. (b) First nine months—1978 (i) 452 (ii) $2,410,000.

DSS—WESTINGHOUSE CANADA LTD.

Question No. 758—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Westinghouse Canada Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 368; (ii) $1,979,000. (b) First nine months of 1978: (i) 539; (ii) $4,410,000.

DSS—NORTHERN CANADA SALES LTD.

Question No. 759—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Northern Canada Sales Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 16; (ii) $116,000. (b) First nine months of 1978: (i) 38; (ii) $353,000.

DSS—CAMPBELL SOUP CO. LTD.

Question No. 760—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Campbell Soup Co. Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

[Mr. De Bané.]

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 3; (ii) $25,000. (b) First nine months of 1978: (i) 1; (ii) $10,000.

DSS—INTERNATIONAL HARVESTER CANADA

Question No. 761—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to International Harvester Canada in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 100; (ii) $2,627,000. (b) First nine months—1978: (i) 135; (ii) $5,765,000.

DSS—BAILEY METER CO. LTD.

Question No. 762—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Bailey Meter Co. Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 90; (ii) $231,000. (b) First 9 months—1978: (i) 133; (ii) $1,136,000.

DSS—DU PONT OF CANADA LTD.

Question No. 763—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Du Pont of Canada Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) Nil; (ii) Nil. (b) First nine months—1978: (i) 1; (ii) $266.

DSS—AES DATA LTD.

Question No. 764—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to AES Data Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 168; (ii) $2,277,000. (b) First nine months—1978: (i) 225; (ii) $2,673,000.

DSS—DIXON PENCIL CO. LTD.

Question No. 765—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Dixon Pencil Co. Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 26; (ii) $223,000. (b) First nine months—1978: (i) 68; (ii) $436,000.

DSS—KODAK CANADA LTD.

Question No. 766—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Kodak Canada Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a): 1977: (i) 433; (ii) $5,422,000. (b) First 9 months—1978: (i) 591; (ii) $6,572,000.

DSS—XEROX OF CANADA LTD.

Question No. 767—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Xerox of Canada Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 1,253; (ii) $6,762,000. (b) First nine months—1978: (i) 2,833; (ii) $33,905,000.

DSS—3M CANADA LTD.

Question No. 768—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to 3M Canada Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 845; (ii) $2,314,000. (b) First nine months of 1978:(i) 1,114; (ii) $6,054,000.

DSS—MASTER MAILERS LTD.

Question No. 769—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Master Mailers Ltd. in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) Nil; (ii) Nil. (b) First nine months—1978: (i) 10; (ii) $237,000.

DSS—ALCAN ALUMINUM

Question No. 770—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Alcan Aluminum in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 23; (ii) $190,000 (b) First nine months—1978: (i) 28; (ii) $137,000.

DSS—MASSEY-FERGUSON

Question No. 771—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Massey-Ferguson in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 3; (ii) $14,000. (b) First nine months—1978: (i) 5; (ii) $16,000.

DSS—GENERAL MOTORS OF CANADA

Question No. 772—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to General Motors of Canada in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 858; (ii) $6,048,000. (b) First nine months—1978: (i) 627; (ii) $15,729,000.

DSS—MOLSON COMPANIES

Question No. 773—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to The Molson Companies in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 522; (ii) $1,041,000. (b) First nine months of 1978: (i) 585; (ii) $1,916,000.

DSS—CANADIAN INTERNATIONAL PAPER

Question No. 774—**Mr. Stevens:**

Did the Department of Supply and Services award any contracts to Canadian International Paper in (a) 1977 (b) the nine months ended October 1978 and, if so (i) how many (ii) in what amount?

Hon. Pierre De Bané (Minister of Supply and Services): (a) 1977: (i) 207; (ii) $320,000. (b) First nine months—1978: (i) 189; (ii) $386,000.

METRIC SYSTEM

Question No. 788—**Mr. Howie:**

Since August 1, 1978, have any changes been made in the time table for implementation of the metric system in Canada?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: One hundred and two sector committees comprising over 2,000 volunteers are developing the plans and schedules for implementation of the metric system in their sectors of the economy. No changes have been brought to the attention of Metric Commission Canada since August 1, 1978.

CLASSIFICATION STAMP OR SEAL

Question No. 824—**Mr. Cossitt:**

With reference to the answer to Question No. 1,853 of the Third Session of the 30th Parliament which states in part: "Clerks, typists, stenographers, secretaries may use any classification stamp or seal provided they have been properly cleared and are acting under the direction of a person authorized to classify information", what are the names of all persons in each department who have

authorization to give such directions to staff members regarding classification of documents as "top secret", "secret", "confidential", "most secret", etc.?

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): See reply to question No. 178 answered December 18, 1978.

NRC—TELEOPERATOR SYSTEM

Question No. 866—**Mr. Howie:**

What amount was spent to date by NRC on the advanced Teleoperator System?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows: Up to the end of November, 1978, expenditures by NRC on the advanced teleoperator system amount to $71,737,000.

● (0000)

Question No. 867—**Mr. Howie:**

What amount was spent to date by NRC on materials used for the Teleoperator System and approximately what amount was imported from outside of Canada?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows: It is estimated for the project as a whole that 70 per cent of the expenditures are for labour and 30 per cent for materials so that approximately $21,521,000 has been expended on materials. It is also estimated that Canadian content of this project is 90.7 per cent so that approximately $2,000,000 has been expended to date on materials from outside of Canada.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): If question No. 216 could be made an order for return, that return would be tabled immediately.

Mr. Speaker: Is it agreeable to the House that question No. 216 be made an order for return?

Some hon. Members: Agreed.

[*Text*]

OCCUPATIONAL TRAINING AGREEMENT, N.B.

Question No. 216—**Mr. Jones:**

1. Has there been an occupational training agreement signed between the federal government and the government of New Brunswick? What are the terms of this agreement? What dollar value does this agreement have? If this is a minimum value, what is the maximum?

2. Who is eligible for this occupational training program? Is there any responsibility for this program with the employer and if so, how much?

3. What factors within the province of New Brunswick will influence this program? List them and explain.

[Mr. Cossitt.]

4. Does this program differ from Industrial Assistance Training programs and if so, how? Will any program of industrial training benefit from this program and if so, how?

Return tabled.

* * *

[*English*]

STARRED QUESTIONS

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be good enough to call starred questions 235 and 236? Because of the length of the answers I would ask the consent of the House to have them printed in *Hansard* as if read.

Some hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

[*Text*]

*LAW REFORM COMMISSION—ADMINISTRATIVE AND FOREIGN SERVICE

Question No. 235—**Mr. Woolliams:**

With reference to the projected 1978-79 Estimates expenditure of the Law Reform Commission of Canada for Administrative and Foreign Service personnel (a) what services and functions do the Foreign Service personnel perform (b) where do the personnel in this category work (c) what are the names of the persons now occupying these positions?

[*English*]

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of Justice): The Law Reform Commission of Canada employs three public servants of the administrative and foreign service category, but none of these are of the foreign service classification. The functions, work location and names of the three employees of the administrative service classification are as follows:

(a) Services and functions:

(i) The secretary of the commission is responsible to the chairman for policy and planning governing the operations of the commission's headquarters in Ottawa and its regional office in Montreal.

(ii) The office manager of the Montreal regional office is responsible for the operations of the commission's Montreal regional office.

(iii) The office manager of the headquarters of the commission in Ottawa is responsible for the efficient functioning of office support services.

The work location and names of the occupants of the positions are:

	(b)	(c)
Positions	Location	Incumbent
Commission Secretary	Ottawa	Mr. Jean Côté
Office Manager, Regional Office	Montreal	Miss Marielle Harvey
Officer Manager, Headquarters	Ottawa	Mrs. Georgette Lajoie

[*Text*]

*LAW REFORM COMMISSION—PROFESSIONAL AND SPECIAL SERVICES

Question No. 236—**Mr. Woolliams**

With reference to the item Professional and Special Services at page 13-32 of the 1978-79 Estimates for the Law Reform Commission of Canada (a) what specifically are the (i) Professional services (ii) Special services (b) to whom would the expenditure of $1,035,000 be paid (c) what necessitates an increase of $85,000 over the previous year for this purpose?

[*English*]

Hon. Marc Lalonde (Minister of Justice): (a) (i) Professional services covers the work in legal research and related disciplines and management expertise in operations and communications supplied to the commission. (ii) Special services includes translation, computer services, temporary office assistance, editorial service and service fees charged by Supply and Services Canada.

(b) The major part of the $1,035,000, about nine tenths, would be paid to consultants, most having qualifications in law with a few having special competence in medicine, ethics, sociology and psychology, and other expertise necessary to the research program. Of the remaining one tenth, about half would be paid for the services of professional translators and the rest to suppliers of miscellaneous services such as computing and temporary office assistance and to Supply and Services Canada.

(c) The increase of $85,000 (i.e., 9 per cent) over the previous year is made necessary because of cost increases.

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

Some hon. Members: Agreed.

* * *

POINT OF ORDER

MR. BEATTY—DELAY IN ANSWERING QUESTIONS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): On a point of order, Mr. Speaker. I have taken the opportunity to look at the list of answers to questions on the order paper which was tabled today. On a number of occasions I have brought to the attention of the parliamentary secretary the fact that a number of questions of mine have been sitting on the order paper, some of them in one incarnation or another, since January 26, 1978. We are just coming up to a year now for two of them.

If the parliamentary secretary has any justification for his ineptitude in delaying his response to these questions, if he feels that to do so is too costly or if he feels it is too time consuming to do so, or if it is simply that he feels incapable of doing his job and getting the officials in the various departments to supply him with the information, or if he can otherwise justify my doing so, I will withdraw those questions that I have on the order paper. I would like his guidance on this matter.

I would point out to the parliamentary secretary that the House has now waited a further month since Christmas yet not a single response has been made to these questions, many of which have been on the order paper for many months and some for almost a year. Unless there is some indication from him that he is prepared to give the House an adequate explanation of his refusal to do his job, or that he intends to advance reasonable arguments to persuade me that I should withdraw the questions, I intend on a regular basis to bring this matter to the parliamentary secretary's attention at this time in our proceedings until some progress is made.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, it is very difficult to please everybody. Today Canadians will realize that we have made an exceptional effort. We have answered some hundred questions and I do not appreciate the hon. member's complaints about the work we, on this side of the House, accomplish. Mr. Speaker, on many occasions I have had the opportunity to express my opinion on the hon. member's reactions. I strongly invite him to read not only the list of the numbers tabled today, but also the answers to the numerous questions asked. It will add to his culture. As for the rest, I urge him to be patient.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

RAILWAYS

PRAIRIE RAIL ACTION COMMITTEE RECOMMENDATIONS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I would ask leave, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the serious threat to western rural communities and the farmer-owned elevator system as a result of recommendations contained in the Prairie Rail Action Committee report which go far beyond the committee's terms of reference in at least two instances; and also because the committee recommends the abandonment of 1,416 miles of rail lines based on conclusions arising out of inadequate, inappropriate and insufficient evidence, and fails to give sufficient weight to the evidence for the retention of these rail lines; all of which makes it urgent that the Prairie Rail Action Committee report be discussed in parliament forthwith so that the government can indicate its intentions and members can express their views with respect to the committee's recommendations.

Mr. Speaker: The hon. member gave the Chair notice of his intention to make this application pursuant to Standing Order 26 for permission, in accordance with that Standing Order, to move the adjournment of the House for consideration of a matter of great urgency as defined in the language of that Standing Order.

It was evident from the tenor of the question period today and the motions put forward pursuant to Standing Order 43 that the hon. member's position enjoys rather widespread interest in the House. It is clear from the supporting documentation which the hon. member put forward that the matter has been of concern to several members of the House for quite some time.

• (1510)

That may come to his assistance and provide moral support for his cause in this particular instance but, unfortunately, it does not help him much in attempting to proceed pursuant to Standing Order 26 because the language of the Standing Order indicates that the Chair must take into account other opportunities to discuss the matter. The hon. member will recognize that that may mean future opportunities. I think it also means past opportunities. The House has not debated the matter extensively, but there certainly have been a number of opportunities in the past to disagree with the deliberations or the findings of the Prairie Rail Action Committee. Whether those have been adequate enough is something for the hon. member to discuss.

Whether the hon. member, or other hon. members, agrees or disagrees with the terms of reference of the committee, its deliberations or its fundings remains essentially a matter of disagreement and not, in my opinion, an ideal subject for an application pursuant to Standing Order 26. I should turn to the language of Standing Order 26 (16) which is at page 22 of the Standing Orders:

> The right to move the adjournment of the House for the above purposes is subject to the following conditions:
>
> (a) The matter proposed for discussion must relate to a genuine emergency, calling for immediate and urgent consideration;

I do not want to be too precise in the application of the term "genuine emergency", but it does seem to me that a genuine emergency ought not to be the subject of a difference of opinion. It seems to me that in using Standing Order 26 we ought pretty well—I do not want to limit this entirely for the future—to be dealing with situations the emergent nature of which is not a matter of opinion or disagreement.

The hon. member takes issue, as do other hon. members, with the conclusions of the Prairie Rail Action Committee. However, whether the deliberations and conclusions of that committee, as an open body performing in public, could ever be constituted as an emergency within the terms of the Standing Order leaves me greatly in doubt.

Finally, it was indicated today in answers to questions put on this subject that the Prairie Rail Action Committee does not in itself have authority to implement its decisions but, rather, is an advisory board of some sort. All of its recommendations will have to go to another body, the Canadian Transport Commission, before any final decisions can be taken because that is the body which has the authority. Whether parliament will have to support that with other measures in the House I do not know at this time. If so, that would certainly give the hon. member and other hon. members an opportunity, in the first place, to appear before the commission and, in the second place, to debate the measures which would have to be taken if the commission does in fact go on to decide that these lines should be closed. In any case, it seems to me that the hon. member will have ample opportunity to make the representations which he makes known now before that commission and, in turn, before parliament if parliament does have to take action.

I simply say, therefore, that as long as the matter remains one of ongoing public activities, while the hon. member may disagree violently with the deliberations and the conclusions of the committee, it seems to me that disagreements of that sort ought not to be the subjects of Standing Order 26 applications. Such applications should be reserved for factual emergencies. The question of whether there is a difference of opinion about what ought to be done in an emergency might remain, but at least the emergency should not be something which is subject to judgment or difference of opinion.

Therefore, on the face of it I would indicate that in my opinion Standing Order 26 does not apply to this situation.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION ACT, 1978

DEPARTMENTS AND AGENCIES

Hon. Allan J. MacEachen (for the Prime Minister) moved that Bill C-35, respecting the organization of the Government of Canada and matters related or incidental thereto, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Mr. Speaker, the bill before us today provides for a number of improvements in the organization of the Government of Canada which have been recommended and supported by those in the sectors concerned.

Part I provides for the establishment of a separate department of fisheries and oceans, fulfilling a commitment made by this government and underlining the priority we attach to enhancing the Canadian fishery. The priority has been demonstrated in decisive government action to extend fishery jurisdiction to 200 miles, coupled with carefully planned management and conservation measures which have opened up a new era of fishery stability and prosperity.

By way of example, the over-all sea fish catch in 1978 of approximately 1.3 million metric tons is worth an estimated

$624 million, an increase in value of 37 per cent over the previous year.

On the Atlantic coast, despite necessary conservation measures and catch restrictions, fishermen's incomes have increased 50 per cent in recent years. There is every reason to believe that this improving trend will continue well into the 1980s.

The future of the fishing industry also augurs well on the Pacific coast, where the federal government, in co-operation with the government of British Columbia, has embarked on a massive salmon enhancement program which eventually will double the amount of salmon produced in that province. There is also the prospect of a fourfold increase in groundfish catches off the Pacific coast by the 1990s. The new organization proposed in this bill will provide a strengthened basis on which to continue and extend these efforts.

The minister of fisheries and oceans is to have responsibility for seacoast and inland fisheries, fishing and recreational harbours, hydrography and marine sciences and the co-ordination of the policies and programs of the Government of Canada respecting oceans. These responsibilities provide for a comprehensive approach to fisheries and oceans issues, recognize the need for a sound scientific base both for the development of a modern fishery and to underpin our other ocean responsibilities, and establish a focal point to co-ordinate our marine policies and programs which are taking on increasing importance.

Part II of the bill provides for the amendment or repeal of certain sections of the Fisheries Research Board Act to allow that board to be replaced by a new fisheries and oceans research advisory council. The function of the council will be to advise the minister of fisheries and oceans on all matters the minister may refer to it relating to fisheries research and the marine sciences, including technological developments in those fields; the scope and adequacy of the science policies and programs of the department of fisheries and oceans, having regard to the duties and functions of that department and the science policies and international obligations of the Government of Canada; and the co-ordination of research and development programs in the fields of fishery research and the marine sciences.

The council will provide an outside source of advice to the minister on the scientific activities of the department of fisheries and oceans, and for that purpose its membership will be broadened to include representatives from other industries and departments which have a specialized interest in the marine sciences as well as representatives of educational institutions and the general public.

Fishermen across the country have indicated their strong support for these measures to establish a separate department and revitalized council, and I am pleased to recommend these proposals to the House.

The intent of Part III is to clarify and update the mandate of the Department of the Environment, which remains following the separation of fisheries, and to the underline that its first responsibility is the preservation and enhancement of environmental quality. The bill strengthens the ability of the minister responsible for the environment, to ensure that other federal departments and agencies, which have environmental protection powers as necessary parts of their specific responsibilities use those powers in a way that is consistent and meets certain basic environmental standards.

• (1520)

This part also empowers the minister to enter into agreements with the provinces for the administration of environmental programs. This underlines the intention of the government to minimize federal-provincial duplication and to rely to the maximum extent possible on the provinces for the administration of environmental programs. This concept, together with the strengthened responsibility for co-ordination and setting standards for the environmental activities of other federal departments and agencies, is fundamental to the new mandate of the Department of the Environment.

The government remains firmly committed to act effectively, in concert with the provinces, to preserve and enhance the quality of our environment for the benefit of all Canadians. The provisions now before the House strengthen the ability of the minister of the environment to lead this process.

Part IV of this bill is a technical amendment which allows the staff of Canadian Patents and Developments Limited to continue to receive coverage under the Public Service Superannuation Act and the flying accident compensation regulations made pursuant to the Aeronautics Act.

The purpose of Part V is to transfer the responsibilities of the representation commissioner to the chief electoral officer. The only person to occupy the post of representation commissioner, Mr. Nelson J. Castonguay, retired at the end of 1978 after a long and distinguished career in the Government of Canada, including 17 years as chief electoral officer and 15 years as representation commissioner. Mr. Castonguay has played the leading role in the success of our present system of the readjustment of electoral boudaries by independent commissions, and on behalf of the government I congratulate him for his achievement.

I have had the opportunity, as have other members of the House of Commons, to work with Mr. Castonguay, and we know the integrity, competence and skill with which he discharged his responsibilities, first as chief electoral officer and later as representation commissioner.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Castonguay has in the past recommended to the Standing Committee on Privileges and Elections that the responsibilities of the representation commissioner be transferred to the chief electoral officer, another servant of parliament who also has the independence and experience required. Many of the significant responsibilities once accruing to the representation commissioner have now been carried out, and the major remaining duties of the office arise only in approximately two years in every ten when electoral boundaries are readjusted. It thus seems timely and

appropriate to rationalize the responsibilities of the two independent offices responsible for matters so crucial to democratic elections in Canada.

Parts VI to IX of the bill contain essentially technical amendments to the constitutive acts of the Medical Research Council, National Research Council, Natural Sciences and Engineering Research Council and the Social Sciences and Humanities Research Council. The amendments remove the requirement in each of these acts that all staff appointments carry the specific approval of the minister. The heads of the councils agree that this requirement is an unnecessary involvement of the minister in the day to day administration of the councils.

Part X amends the Parliamentary Secretaries Act to correct the current wording in that act which ties the maximum number of parliamentary secretaries that may hold office to the number of ministers holding office at any given time. This means that if the maximum number of parliamentary secretaries are holding office when a minister resigns, one of those parliamentary secretaries must resign, potentially creating a situation where the House would lose access not only to a minister but also to his parliamentary secretary at the same time. The amendment would provide that the maximum number of parliamentary secretaries is set at the time of appointment and so would not be affected by a subsequent resignation of a minister. This involves no increase in the maximum number of parliamentary secretaries that may be appointed.

Finally, Part XI of the bill contains a number of technical and general amendments consequential on the division of the Department of Fisheries and the Environment.

In summary, Mr. Speaker, these are the basic principles and intent underlying each of the parts of this bill. The measures contained in this legislation carry the support of Canadians in the areas affected. These measures sharpen the tools we have to provide better government for all Canadians. While I welcome and will give careful consideration to any improvements in the present bill that hon. members may wish to propose, I would hope that members on both sides would agree that the bill should proceed without delay. It is in this spirit that I have outlined the substance of the bill for the House with a minimum of argumentation. I hope that all hon. members will join in this spirit as the debate proceeds.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, it is always a pleasure to follow the government House leader, particularly after having heard his last statement that it is his wish, desire and hope that this bill proceed with dispatch. Let me point out that he has conveniently forgotten that the Prime Minister (Mr. Trudeau) made a promise back in 1974 about the need to separate fisheries in the department and create a full, complete and worth-while department of fisheries. Therefore, what the government House leader has done at this time is to touch a very sore point with members on this side of the House, not only in our party but in all opposition parties.

[Mr. MacEachen.]

I was very pleased to note that there is a new thrust by the government in terms of fisheries and environment and that the government intends to proceed in a spirit of consultation and co-operation rather than confrontation which seems to have been the path of pursuit for which this government is so famous.

I join the government House leader in congratulating Mr. Nelson Castonguay for the job he has done in the past. I am pleased to say that every commendation should go his way for his sincerity and the assistance he has given to members from all sides of the House, as well as for his dedication to duty.

Regarding what Mr. Speaker has indicated, namely that this bill after second reading should be sent to the Standing Committee on Miscellaneous Estimates, may I say that that seems fair, but I have a better suggestion to make to the minister in light of the fact that this bill deals primarily with fisheries and the environment. Therefore, I think it would be more in keeping with that thrust, and after such an unwarranted and undue delay, that the government House leader ensure that the bill is directed to the proper place. It is my view that all the other points which the minister made in his introductory remarks regarding the 11 parts of the bill are not that significant in terms of urgency. Therefore, I hope that those of us who come from the Atlantic provinces and from the west coast and who, over the years, have been hammering home the fact that the government has shown several shortcomings with regard to its fisheries policy—no derogatory connotation is to be attached to the present minister—will receive an explanation and elaboration.

An hon. Member: Oh, oh!

Mr. Alexander: I know that the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo), who should be directing her attention to Loto Canada, wishes to intervene. I hope the minister takes that advice and direction, which she seldom ever takes. I notice the Minister of Fisheries and the Environment (Mr. LeBlanc) is nodding his head in the affirmative, from which I conclude that the government House leader has received the necessary direction from the Minister of Fisheries and the Environment that when this bill receives second reading it be sent to the Standing Committee on Fisheries and Forestry.

• (1530)

We are back after the Christmas break, and I think we are all rested. I sincerely wish everyone the best of health. I have not had that myself. Perhaps many hon. members missed me.

Some hon. Members: Hear, hear!

Mr. Alexander: But I was absent for a reason. Now I am back waiting to shake hands with my colleagues.

I would like to wish hon. members opposite success in the forthcoming election, but I cannot go that far because many Canadians, and I, wonder what devious schemes the Prime Minister is planning in order to become the darling of Canadians once again. In my view, that is an impossible task. Hon.

members opposite hope that he will come up with the required miracles, but it is an impossible task.

An hon. Member: Why?

Mr. Alexander: Because of the alienation, frustration, disgust, despair, fear, hopelessness, insincerity, and lack of confidence in the present administration. I am looking at the government House leader. He knows that I speak sincerely. The lack of confidence in the administration under which Canadians are living is too deeply rooted, because incompetence and mismanagement are the hallmarks of the present administration.

Bill C-35 is entitled as follows:

An act respecting the organization of the Government of Canada and matters related or incidental thereto.

It is misleading, but it could have been laudable and commendable if the portion reading "and matters related or incidental thereto" could have been interpreted as dealing with the reorganization of the government's attitude, thinking and initiative. In my view, such a reorganization would reduce and minimize the suffering and hardship which stem from high unemployment, high inflation and no growth. Reorganization by itself is not earth-shaking and it is not a panacea. The end result is what is important. In other words, what does the government intend to accomplish by reorganization? More important, in what direction must the government go in order to bring about a policy or principle for the benefit of Canadians?

Other than the sections dealing with fisheries and the environment, the bill is relatively silent. We want to see it go before the Standing Committee on Fisheries and Forestry in order to find out what is going on in the reorganization sector of the government. In the past the government's view regarding reorganization has been the solution rather than a first step toward the solution and/or solutions. I should like to put on record a few examples respecting reorganization which perhaps have been stated before. I should like to present five examples for the edification of the House.

First, in 1971 the department of fisheries and forestry was submerged in a new department of the environment. In 1974 the minister of state was given fisheries responsibilities within the department of the environment. In 1976 the department attempted reintegration under the name of the Department of Fisheries and the Environment and only one minister. The current minister intends to create a separate department of fisheries and oceans, with the department of the environment going its own way. By going through no less than four reorganizations, the federal management of these policy areas has returned to an organizational status remarkably similar to that prevailing prior to 1971. It is a sort of turnabout.

The second example deals with the ministry of state for urban affairs. The Ministry of State for Urban Affairs was created in 1971 to respond to accelerating urbanization and its resulting problems. Although no one could claim these problems have been solved, the ministry will be disbanded within approximately six months. Both urbanization and its resulting problems remain; it is the organization which changed.

The third example involves the Ministry of State for Science and Technology, also created in 1971. In addition to the development of federal policies on science and technology, the ministry was directed to co-ordinate existing federal science policies. While such policy development and co-ordination is no less urgent today, in its seven-year history the ministry has had six ministers, three of whom have had other ministerial responsibilities. When we think of the word "reorganization", we must determine the aims and the direction the government intends to pursue in order to bring about a policy and principle for the benefit of Canadians.

The fourth example deals with the Department of Industry, Trade and Commerce. It was reorganized in 1977 to create the enterprise development program, which was designed to co-ordinate distribution of all the department's industrial support funds. The enterprise development program now distributes a lesser amount of money than the sum distributed by its predecessors.

The fifth example involves the office of the comptroller of the treasury which was disbanded in 1969. The comptroller's duties included management of disbursements from consolidated revenue, provision of accounting services and the preparation of cash forecasts. In 1978 the government created the office of Comptroller General allied with the Treasury Board. His duties include the development of expenditure control systems and related administrative practices. The two comptrollers' job descriptions are sufficiently similar to raise a question as to whether the government has once again reorganized itself back to where it started.

Last but not least, we have the big "super minister". I think of him as being the former minister responsible for the Treasury Board. I had occasion to shadow him with some success when he was involved with immigration, labour, manpower and unemployment insurance. Now we have a big super minister who will somehow or other rescue the government from the perils which it faces every day. I wonder what the priorities of the government are.

Mrs. Sauvé: We do not have any.

Mr. Alexander: I hear an hon. member opposite indicating that they do not have any. I am the first one to agree with that.

Mr. Paproski: That was said by the Minister of Communications (Mrs. Sauvé).

Mr. Alexander: Was that the Minister of Communications (Mrs. Sauvé)?

Mr. Beatty: Yes.

Mr. Alexander: It should be documented and recorded that they have no priorities. I will pretend I did not hear that and let it go by the board.

Mr. MacEachen: The minister withdraws that remark.

Mr. Alexander: It is too late to withdraw a statement which was heard by all hon. members on this side of the House. The government House leader is amazing. When he rose, I looked at him with a great deal of respect. I was hoping for words of wisdom, which I did not hear. I did not interrupt him because I knew he respected me. He knows my job, as well as the jobs of all hon. members. All of a sudden he has become childish. The Deputy Prime Minister and President of the Privy Council (Mr. MacEachen) does not want me to carry on with my speech. How shameful. What kind of conduct is this?

I was asking where the priorities of the government were. Hon. members on this side of the House thought that Bill C-9 was the big bill, the one respecting public referanda in Canada. Probably it is being delayed now for some sinister political motive. Perhaps the government is waiting for some convenient time. That is what I call posturing. We saw the Prime Minister posturing yesterday. I will not dwell on that, except to say that hon. members on this side of the House wish Their Excellencies good health and every good wish for the very onerous job which they have taken upon themselves for the benefit of Canadians.

• (1540)

I should like to know what has happened to Bill C-27. The government House leader knows what it is all about, namely, setting up a Crown corporation in respect of the Post Office Department. Are we not concerned about the problems of which we have been reading of late in terms of post office management and CUPW? Is this government afraid of the hon. member for Brandon-Souris (Mr. Dinsdale) who is our critic in respect of the post office? He has done an excellent job of trying to rap this government over the head in order to bring about some sense in terms of needless foot dragging, misunderstandings and statements that were uncalled for and unwarranted by the present Postmaster General (Mr. Lamontagne).

What has happened regarding Bill C-29? I arrived late, Mr. Speaker, but I understand hon. members were talking about housing and CMHC. There is a big problem in existence in this regard. Has the government given us its priorities in respect of that particular matter, or is this government again afraid of the hon. member for Ottawa-Carleton (Mrs. Pigott) who has been doing an excellent job as our housing critic, and who in turn would relish an opportunity to rake this government over the coals because of its insensitivity regarding the needs of Canadians for housing? In any event, we have this list, but we do not know where the government's priorities lie. The Minister of Communications says they do not have any. That is a very revealing statement. Not only is it revealing, it is alarming.

The government House leader went through the various parts of this bill and I think it would be a good idea for me to go through it again. I think he said there were 11 different parts. I am afraid I do not know if that is accurate, but one cannot be expected to know everything that happens around here. We should at least be able to expect leadership from this government, but even that is lacking 99 times out of 100.

The first part deals with the new proposed department of fisheries and oceans. The second part deals with the proposed fisheries and oceans research advisory council. The third part relates to the Department of the Environment. The fourth part relates to Canadian Patents and Development Limited. The fifth part deals with the representation commissioner to whom we just paid tribute, Mr. Castonguay. There is then reference to the Medical Research Council, and surely the minister must realize that we will have something to say in that regard, particularly in view of the government's tunnel vision in the past and for the future in respect of research.

Those same remarks could be applied to the next part regarding the National Research Council, the seventh item in this omnibus bill. The eighth item is the Natural Sciences and Engineering Research Council, followed by the ninth item, the Social Sciences and Humanities Research Council. The government can expect to hear from us on this side regarding that. There are several members who want to know what is taking place in respect of social services in this country, and particularly what role this government feels women should be playing. We are interested in knowing the role the government sees for women not only in the House of Commons, where we are gradually moving towards more fair and meaningful representation, but specifically outside this place.

The second last part deals with parliamentary secretaries. I know my House leader will have something to say in this regard because this relates again to reform of the rules and guidelines within which this august body operates.

The last part in this bill brings about some direction regarding the Department of Fisheries and the Environment.

What bothers me and makes me question the government's sincerity with respect to this bill is clause 35 relating to the coming into force. I always look to see what a bill states in respect of when the law shall come into force because that gives some indication of its importance and the need for immediate action. However, in this case let me read what is said by this coming into force clause, and this will indicate why I question the sincerity of the government in terms of moving this bill forward expeditiously. Clause 35 states:

This act on any part thereof, except part IV, shall come into force on a day or days to be fixed by proclamation.

Part IV is that part in relation to Canadian Patents and Development Limited about which I will have something to say a little later.

What bothers me is the suggestion that this bill will come into force at some date in the future to be selected by the government. It can use this measure for its own political advantage. For example, it can proclaim the measure during an election campaign giving the Minister of Fisheries, and perhaps the Minister of the Environment, the opportunity of putting out a press release announcing the establishment of a separate department of fisheries. This press release will be sent to the Atlantic provinces and the west coast pointing out what

the government has done for the people in those areas. It will no doubt suggest that a separate department is required and the government has now established it. It will invite the people to trust the government because it is with the government that their future hopes lie.

I indicated earlier that in 1974 there was a promise regarding the establishment of a separate ministry. If I am wrong I am sure the government House leader will be the first to stand and challenge me. The Prime Minister promised then to establish such a separate ministry. I am now asking why there has been this dragging of the feet, this hanky panky, hesitation and indecision relating to the introduction of this bill.

This omnibus bill is like "Catch 22" and gives members of the opposition the opportunity to register their concerns about these areas with which this proposed legislation deals. We are thankful for that opportunity, but I should like to ask this simple question. If it is so important that we bring about this separate ministry, why do we now have an omnibus bill covering a number of items that are not of immediate concern?

A separate bill should have been brought forward to deal with this one item relating to the separation of fisheries as a separate department. That measure should have been divorced from this omnibus bill. Had that been the case the minister might well have received the expeditious passage he requested earlier. Members on this side of the House have taken an interest in this idea for some time. The major purpose indicated by the government House leader is to create a separate and distinct department of fisheries and oceans. Fisheries has been combined with environment since 1970. As I said in 1970, the present Prime Minister needlessly ended the existence of a separate department of fisheries. During the 1974 election campaign he promised to recreate a separate department, but like too many other promises this government makes it was not kept.

It has taken this government nearly five years to act on this promise. The hon. member for South Shore (Mr. Crouse) and the hon. member for St. John's East (Mr. McGrath) have had private members' bills on the order paper for years begging this government to bring about what we are attempting by this bill.

Except for some clarification in respect of the duties of the Minister of the Environment, Bill C-35 is virtually a carbon copy of Bill C-65 which was introduced in a hurry on the second last sitting day before the recess last summer. This would indicate that the government only wanted to bring attention to the matter for the purposes of an upcoming election. However, when the election did not materialize the government did not reintroduce the bill at the first opportunity. Consequently there is some doubt as to whether the Liberal government is sincere in wanting this bill passed. I notice the minister of fisheries shaking his head in a negative fashion, but the facts speak for themselves. We have consistently argued the need for a separate department of fisheries. The Canadian fisheries is a far too important economic resource to be buried in a combined department. There will be a number of members on this side of the House more efficient and with more expertise than I who will put forth their concerns on this matter.

● (1559)

What about the environment? The duties of the Minister of the Environment are clarified and enlarged. The bill requires that the minister undertake impact assessments of federal projects. While recognizing that this is the first occasion that the government has sought to put the requirement for impact assessment into law, this section, 6(1)(a)(i), falls far short of our objective on this side of the House. For instance, under this section impact assessment of activities in the federal jurisdiction is not required except if they are federal projects. This would mean that an impact assessment of drilling in the eastern Arctic, for instance, would not have been required had this bill superseded the environmental assessment and review process earlier this year.

Also, there is no requirement for the assessment procedure to have hearings, nor for the assessment to follow any of the other rules of natural justice. This is extremely important, and there will be many questions asked even though this is the part with which we are particularly concerned, and with which we are pleased the government will be following through on once the bill gets to the Standing Committee on Fisheries and Forestry. Once again, there will be questions from members who are concerned with the environment and who must, of necessity, become concerned with this bill.

The next matter is Canadian Patents and Development Limited. This bill also brings employees of the Canadian Patents and Development Limited under the Public Service Superannuation Act. It is very interesting that this provision should appear in this bill—it was also in Bill C-65 in the last session—rather than in Bill C-12 which deals specifically with public service pensions. I wonder why the government made this move to bring this particular company into this omnibus bill. The Treasury Board claims, as I understand it, that it is coincidental and that there is nothing sinister about the matter. I need proof, and that is why it is necessary to get bills into committee where we can find out the truth, the whole truth, and nothing but the truth. In bringing this particular company into the bill, it gives the appearance once again of sloppy management on the part of the government.

While Treasury Board is busy drafting amendments to the various public service pension plans in order to deal with criticisms about their actuarial soundness, the Prime Minister's office is working independently on amendments to expand the number of persons covered by public service pension plans.

I hope that the government House leader or whoever carries this bill into committee will be able to answer a number of questions, because I have some and I would like to place them on paper for the benefit of the government. One such question is whether they are serious about this provision, and therefore, wanting to make sure it is contained in a bill that will be passed, they did not put it in Bill C-12 because they did not take that bill seriously. Or alternatively, did they put this

provision in Bill C-35 because they are not serious about it and wanted to put it in a bill which they do not intend to proceed with, whereas they did intend to proceed with Bill C-12?

The only reason Bill C-12 is not before the House now is because I took it upon myself to act as the opposition House leader and ask the government House leader a couple of questions. I suppose the House leader was surprised to hear me say that before we proceeded with this very contentious bill directed toward all the people of Canada, we would want to hear witnesses, particularly PIPS, the Professional Institute of the Public Service, the Tomenson-Alexander management firm, representatives of the mounted police and all those directly affected by what the government was proposing. This was within the trade union movement. Over and above that, we also wanted to hear from the private sector in order to determine whether or not the government was moving in the right direction with regard to Bill C-12.

Another question we have with regard to this particular provision is: What effect will this provision have on the actuarial soundness of the public service superannuation account? Was this potential change taken into consideration when the chief actuary was making his actuarial calculations with regard to the public service superannuation account and the supplementary retirement benefits account for purposes of the changes proposed in Bill C-12, which is the indexation bill? In fact, was the Treasury Board even consulted on this matter?

I note that the President of the Treasury Board (Mr. Buchanan) is not here at this particular time, and I will make no derogatory remarks in that regard. But surely this is a matter in which he should have some input. Why are new employees being incorporated at a time when the funding of public service pensions has been so seriously questioned?

No doubt the government House leader through his staff will have taken notice of all the questions I have asked so that he may have all the answers in committee and will say that the hon. member was wrong, that he does not understand the bill, but that he does have some legitimate questions and here are the answers which he is attempting to seek.

Another question I have is: Why is it thought to be appropriate to incorporate Canadian Patents and Development Limited employees into the Public Service Superannuation Act and not the employees of certain other Crown corporations, such as CNR or Air Canada? What is the justification for this?

I would like to deal now with the representation commissioner aspect of this bill, and we have heard the explanation by the minister in this regard. I believe there was a big debate in 1963 by a member I did not know named Mr. Pickersgill. I believe he carried that thing through by way of resolution. The government House leader wants to take credit for it, but the portion I read did not refer to him. The most important contribution to that debate was by Mr. Pickersgill and the right hon. gentleman from Prince Albert (Mr. Diefenbaker).

As was stated, the bill abolishes the representation commissioner and brings his duties, such as defining electoral boundaries, under the chief electoral officer. In 1963 the job was split into two positions, with the chief electoral officer at the time becoming the representation commissioner and a new chief electoral officer being appointed. Rumour has it that this was done to ease the chief electoral officer out of his job. However, since the representation commissioner has, as was pointed out by the government House leader, little if anything to do between each census, it does not make sense to have two positions. Therefore, in order to save money the jobs are being combined again under the chief electoral officer.

Again, once this sort of thing is put into focus, there will be members who will have questions with respect to the whole issue of representation and the duties, obligations and rights which come under the chief electoral officer. Whatever the true motives might have been for establishing an independent representation commissioner in 1963, it was a proposal that we supported, and in fact we had been arguing for an independent commissioner for some time. That is why I can recall reading the very significant questions and statements made by the right hon. gentleman for Prince Albert and the replies. I regret that I was not around during Mr. Pickergill's representations and his approach to answering these questions. I am sorry that I did not see anything there by the minister. Maybe he was a backbencher in those days and was not recognized except for some meaningless intervention.

● (1600)

Mr. MacEachen: I did the negotiation with your leader of the day on that subject.

Mr. Alexander: I was going to ask why the government no longer believes it necessary to have a full time independent representation commissioner. Can the job be handled adequately on a part-time basis? These are some of the question we will have to ask.

Another thing we are concerned about is research. I do not want to get involved in this particularly because other members of this party are eager to jump in and condemn the government for its tunnel vision approach to research and science. This has resulted in many talented young people and people with expertise fleeing the country. This is one of the least understandable and at the same time one of the most important of the government's measures and I condemn them for it. We all know what will happen as a result of this tunnel vision.

The bill allows the Medical Research Council, the National Research Council, the Natural Sciences and Engineering Research Council and the Social Science and Humanities Research Council to appoint and classify staff without ministerial approval. That is a very significant step and a very significant statement and the government House leader says it is what he wants. I must ask, however, what mechanisms are being put in place to ensure that this appointment and classification authority will not be abused. We have already seen how classification has been handled in the public service when it

has been delegated. I am talking about waste, Mr. Speaker. Misclassification and particularly overclassification which this government has allowed to proceed year after year through neglect, costs $75 million per year today.

I would just say, Mr. Speaker, that during my absence the President of the Treasury Board laid on the table the findings of the classification study. He did not have the courtesy to follow the practice of his predecessor who indicated that he would not only table this report but would also give us the solutions which the government found it necessary to implement in order to bring about the savings which are sorely needed to reduce government waste.

We know that there are incentives in the present system which lead to consistent overclassification, and we will get into that area as soon as we get the minister's estimates. I do not think that we are going to get any answers from the government on how they propose to save some $75 million on overclassifications. Can the government assure us that this will not also happen in the appointment and classification of positions in the research councils? Once again they have delegated the authority.

We are now looking into the whole question of Crown corporations, their conduct, their thrust and initiatives. I hope that the omnibus bill dealing with Crown corporations will soon come before the House. I know it will not come before the election, of course, because the government does not care about this. They would let the Crown corporations carry on as they are doing even though some of them have a history of throwing the taxpayers' money down the drain and of pursuing questionable practices to the disadvantage of the public.

I return to my concern about the government's tunnel vision regarding these councils and its lack of understanding of them. Mr. Speaker, there are priorities and priorities. When it comes to the research and development that affects in particular the Medical Research Council and the National Research Council, we wonder whether government is on the right track in delegating its authority.

Finally, Mr. Speaker, I must say that the bill makes an interesting change with regard to parliamentary secretaries. Subsection 2(2) of the Parliamentary Secretaries Act at present reads as follows:

(2) There shall not be at any one time more parliamentary secretaries than the number of ministers who hold offices for which salaries are provided in section 4 of the Salaries Act.

Clause 31 of the bill provides that this section shall now read as follows:

(2) There shall not be *appointed* more parliamentary secretaries than the number of ministers who hold offices for which salaries are provided in section 4 of the Salaries Act.

The purpose of the amendment is to clean up an anomaly in the act. At present the act requires that if a minister resigns then a parliamentary secretary must also resign. There cannot at any time be more parliamentary secretaries than there are ministers. The amendment does not allow for an increase in the number of parliamentary secretaries but rather fixes the number at the time of appointment.

An important point which I think goes to the root of the matter, Mr. Speaker, is that the resignation of a minister would no longer require the resignation of a parliamentary secretary and therefore, as a result of this amendment, there could be more parliamentary secretaries than ministers.

I think I have put the position of my party on several matters of concern before the House. I do not intend to speak longer because I know there are other members on this side of the House, including members of the New Democratic Party, who wish to speak on matters that they find either satisfactory or objectionable in the bill.

I cannot give the government House leader the assurance of quick passage that he is seeking for the bill, however. We do not intend to filibuster the bill, but I feel that if he were sincere about this whole matter he would have included the questions of the fisheries and the environment. It is my view that the government is not sincere and has thrown a lot of other things into the bill. We have no alternative in this party but to take a stand, having been given this opportunity to register our concerns on behalf of constituents in all regions of the country.

Mr. Fonse Faour (Humber-St. George's-St. Barbe): Mr. Speaker, as has already been stated eloquently by the hon. member for Hamilton West (Mr. Alexander) this bill deals with the organization of the Government of Canada and matters related or incidental thereto. I do not presume to be able to comment on every aspect of this bill and there are others in my party who will comment on parts of the bill of particular concern to them.

I was interested in the approach of the hon. member for Hamilton West to the bill in that he totally looked to the past and did not present any forward looking ideas on behalf of his party. It rather frightens me that he represents a party that hopes to form the government eventually. From my point of view, representing the part of the country that I do, a party which looks to the past—

Mr. Alexander: Mr. Speaker, I rise on a question of privilege and reluctantly, because I chastised the government House leader for intervening when I was speaking. I wish the hon. member for Humber-St. George's-St. Barbe (Mr. Faour) would not misquote me or take my remarks out of context. On a number of occasions I emphasized that other speakers for this party who had special expertise would deal with their areas of interest. The hon. member himself indicated that he did not have all the expertise required to deal with this bill and I accepted that. I also indicated to the House, with no shame whatsoever, that speakers to follow me would place the position of this party on the record with respect to this omnibus bill.

● (1610)

That may be a simple question of privilege. However, I just want to let some of the new members know that they should pay more attention when a lead-off speaker speaks, so that they will get some idea of what is going on.

Mr. Deputy Speaker: I accept the point of clarification. It is not really a question of privilege.

Mr. Faour: Mr. Speaker, it was my understanding that as lead speaker for his party and as lead speaker for my party, the comments should be fairly general. I understood his comments should point to his party's proposals and ideas as to how this bill should be written. That is what my comments were about.

I was saying that in the area of fishery development, if the Conservative party takes power after the next election, with their backward looking views in this area we may be back to the fishing admiral days. If anyone knows Newfoundland history, they will know that was one of the most repressive types of arrangements in our history. It went out with the end of the eighteenth century.

I am going to deal with Parts I and II of this bill. Part I sets up a separate department of fisheries and oceans. Part II establishes a fisheries and oceans research advisory council. As I mentioned, other members of my party will deal with other sections of the bill.

We in this party support the setting up of a separate department of fisheries and oceans. As has been pointed out, it reflects a campaign promise on the part of the government made in 1974 to set up a separate department of fisheries. It is interesting the government is getting around to it just before the coming election. The government has belatedly recognized the proper emphasis that should be placed on the fishery and the importance of the fishery to the economy of this country.

In Newfoundland there are some 27,000 fishermen prosecuting the fishery. In Newfoundland, fishery processing involves some 8,000 man-years of work. To give a further indication of the size of the fishery in Newfoundland, in 1978 some 430,000 tonnes were harvested with a value of $106 million. Nationally some 66,000 fishermen are involved in the fishery. The value to Canada nationally was close to half a billion dollars, representing a catch of 1¼ million tonnes of fish. This indicates that the fishery is of extreme importance to this country. By setting up this separate department the government is only now recognizing this fact by its actions and not just by its words.

This new department must be concerned with fisheries development. In fisheries development, the department has a very powerful tool to shape not only the fishing industry but the communities and the social structure of the areas where the fishing process takes place. Our contention is that the department must move toward three basic areas. First, there has to be local or Canadian control of the industry. Second, there has to be maximum benefit established on the east coast to coastal communities. Third, we have to manage the stocks and issue licences in light of the social requirements and social problems that must be solved in the communities where the fishing industry is located.

I will begin by dealing with foreign investment in the fishery. This is becoming a serious problem on the west coast of this country. Foreign interest now control over 10 per cent of the industry's assets on the west coast. The bulk of these foreign interests are in Japan. The frightening thing is not so much that 10 per cent is foreign-controlled, but that this 10 per cent has been acquired almost overnight.

The cause of this has been the lack of proper planning of the industry on the west coast. The west coast fishing industry, as with the industry on the east coast, should be an integral part of an industrial strategy or plan based on Canada's resources. Our leader said this when he was on the west coast last week. He pointed out that the cause of the problem of foreign investment is the lack of an industrial strategy.

The reason for the influx of Japanese capital with its resultant control is the fact that it has not been available locally. Canadian banks and lending institutions have been reluctant to make loans to canneries, fish processors and fishermen for years. We feel the government should, within the framework of an over-all industrial strategy, make sure that capital is available so that fish companies and individual fishermen do not have to go to foreign sources in order to obtain capital to develop their industry.

On the east coast, the government's record is a little better in this area. At least in one case the government used its licensing powers to ensure that valuable fish resources did not fall into the hands of foreigners. I refer specifically to the proposed takeover of the Ocean Harvesters processing plant in Harbour Grace, Newfoundland, by the Nord See group of West Germany. I applaud this approach on the part of the government and I hope this trend continues.

In their approach to the fisheries, the Tories would seem to give us investment at any cost. Certainly they pressured the federal government and the provincial government of Newfoundland for this type of investment. They supported the takeover by the West German company and generally have supported this sort of foreign intrusion into this Canadian resource which, in the long term, would not do anything for us. I applaud the government's approach to this question and hope the new department continues on this route. I am sure the present minister will ensure that it does.

Another area of concern is how development of the industry takes place. In the sixties, proposals for development were very capital intensive. There were plans and proposals for large freezer trawlers plying the Grand Banks and the east coast fishery. That, of course, was before the advent of the 200-mile limit. It was at a time when foreign countries had their massive capital intensive fleets on our offshore and were reaping great benefits.

Fisheries development must be considered with social development as well. The midshore and offshore fishery, which is a sort of capital intensive fishery that was recommended ten years ago and beyond, requires a centralized development. It requires the establishment of large cities and towns, large centres from where the fishery can be serviced and prosecuted. This tends to reinforce the deterioration of the small coastal rural communities, especially on the east coast of this country.

On the west coast, the fishery is fairly well developed. It has set patterns. However, a change must take place on the east coast. If not done in a careful manner, this change could destroy existing living patterns which have gone on for centuries and create much disruption in lifestyles.

The trend has changed in Newfoundland over the past few years. I submit the fishermen's union was a major influence. The federal Department of Fisheries recognized that development of the fisheries has to take place while considering the communities from which the fishery takes place. The Tories do not seem to be sensitive to these needs. They would prefer development to follow the needs of the big fish companies, not those of the fishermen in the rural communities.

● (1620)

It is important to develop the fishery in a way compatible with traditional patterns of life. It is important that change should not come about too fast. We should recognize that most of the fishermen on the east coast are part-time fishermen. Part of their income, perhaps the major part, comes from fishing during the summer, but during the winter they cut wood or engage in some other part-time job. There are few full-time fishermen in the Newfoundland context and due regard must be paid to this situation.

If the department concentrates on full-time fishermen, the social impact will be profound, particularly on young people about to enter the industry. Traditionally, sons begin work in the fishery with the help of their fathers. Many part-time fishermen in my riding have found it difficult to introduce their sons to the fishery. I trust the department will recognize the problem and come forward with proposals for suitable compensation during periods of dislocation.

In recent years licensing arrangements have begun to change traditional patterns in the fishing industry. We recognize the need for a forward-looking, coherent policy for the development of the fishery, but while restricted entry to the industry might be desirable in the long term, such a move toward an elite corps of fishermen would cause tremendous dislocation in the short term and could give rise to a great deal of unemployment and hardship affecting individual fishermen in coastal communities. It is most important to consider the realities which exist in these communities when making overall fisheries policy, and I am confident the new department will do this.

The licence freezes of the past few years have caused hardship. I recognize there is bound to be dislocation, but we must surely minimize the extent of that dislocation. Certain licences have been frozen for some time; I have in mind, especially, those required for lobster and certain species of groundfish. The part-time fishermen, who constitute a majority in the Atlantic region, have been hit hard, new entrants into the fishery have been hit hard, and the future of young people has become uncertain. Should they stay in their communities with the expectation that they can enter the fishery, or should they go to Alberta or Toronto, for instance, to seek jobs there?

These are serious questions and they must be dealt with; I trust the minister will consider them very carefully.

The new department, through its licensing policy, could have a tremendous impact on local conditions along the east coast. It could also have an important impact on the size of fish stocks. It is necessary to balance the social cost to communities against the benefits of conservation. By varying the number of fishermen engaged in the industry we could change the recovery rate among fish stocks. If fishing were completely cut out for one year, fish stocks would probably recover in one year, but what would be the effect upon thousands of fishermen? It seems to me that if we allowed unlimited entry to the fisheries, stocks would continue to decline; so the need for some sort of balance must be recognized, always bearing in mind the needs of the rural communities.

I should like to turn my attention for a few moments to the seal fishery and its relationship to the fishing industry in general. What impact do the seal herds have on fish stocks? It is estimated there are about 1.3 million seals in the herd along the east coast. Each seal eats about 15 pounds of fish a day on the average. I have done the arithmetic and this works out to approximately 3.2 million metric tons of fish a year consumed by the seal herd off the east coast. Looking at the total fish landings on the east coast last year we see they amounted to less than a million metric tons, so seals are right now consuming three times as much fish as Canadian fishermen are catching off the east coast.

The figures I have given are, of course, approximate because it is impossible to ascertain just how much fish seals eat. Nevertheless, the information is very valuable in terms of the annual irrational debate and also because of the fact that the minister seems in part to have given in to the protesters. This year the quota for the seal hunt has been set at a level which would see a small increase in the seal population, thereby endangering fish stocks even more. So another thing the department should seriously consider is whether in the light of the continuing controversy over the seal hunt it is the fishermen or the seals which will get the fish off the east coast. If the seal stocks increase, as the protesters would wish, many fishermen will be unable to make a living because the fish just won't be there. This is a decision which the new department will have to approach with some care. I trust the minister will give this matter his consideration. His record thus far has been good and I trust it will continue.

I turn, now, to part II of the bill. Under these provisions there is a proposal to change the name of the Fisheries Research Board to the Fisheries and Oceans Research Advisory Council. I will not comment on the board itself or the work it has done, but in my view the new reorganizing bill has one substantial flaw. In setting up the council the proposal totally neglects representation by fishermen themselves or by their organizations. Clause 4 of part II of Bill C-35 provides:

4. (1) The *Council* shall consist of a chairman and not more than 24 other members.

(2) A majority of the members of the *Council* shall be scientists.

Now we come to subclause (3), the subclause I am most concerned about:

(3) The members of the Council shall include persons from

(a) departments, boards and agencies of the Government of Canada that have a specialized interest in the marine sciences;

(b) universities and other educational institutions;

(c) the fisheries industries and industries that have a specialized interest in the marine sciences; and

(d) the general public.

Mr. Speaker, it could be said that the reference in subsection (d) to the general public having representation on the council might include fishermen and their organizations. But I suggest this is much too important a council to warrant the omission from its constitution of a specific reference to fishermen or their organizations. Let us face it, Mr. Speaker, the fishermen are the ones who will be directly affected by the recommendations this council will make. The council will be making recommendations in the area of quotas, fish stocks and so on, and it would appear to me to be essential that fishermen, fishermen's unions and fishermen's organizations should have a voice on this council, not just the industry or company representatives.

● (1630)

Over-all, Mr. Speaker, we support this move of the government to place the proper emphasis on the fishery by setting up this separate department of fisheries and oceans. There is much promise for the future of the fishery in this country, especially off the east coast, since the declaration of the 200-mile limit. Through this department the federal government in Ottawa has to provide leadership to the industry in two main areas, management and foreign relations. By properly managing and controlling fish stocks, quotas and the issuing of licences which permit entry into the fishery, the department can shape the whole face of the industry. It can have a big impact on the social fabric of coastal communities where the fishery takes place. This is something which I know the minister has approached before, and I think he is moving in the right direction on it.

However, the government has failed in the past with regard to the foreign relations aspect of its responsibilities involving fisheries. It took many years for the government in this country to match the efforts of small countries such as Iceland and Norway in extending our offshore jurisdiction. Iceland is a very tiny country with a population of probably not half that of the city of Ottawa, and it relies on fish perhaps even more than the city of Ottawa relies on government.

Mr. Hogan: Impossible.

Mr. Faour: It took many years for this government to match the efforts of Iceland in extending jurisdiction over offshore fishery resources, and now that that has been done, I applaud it. But it came many years too late. Now, because of inaction in foreign markets, the Canadian fishing industry has been placed in a back seat position regarding a place in world markets. The problem is fairly simple: 85 per cent of our fish exports go to the United States, but Americans eat only about nine pounds of fish per person per year. Europe and Japan, which are big fish-eating areas of the world, consume much larger amounts of fish, but we have a very small place in their markets. Part of the problem is tariffs. Part of the problem is that we cannot enter or find it difficult to enter markets because of tariff arrangements against processed fish. At this point in time we should be actively and aggressively pursuing new markets.

Right now we have an export advantage. As much as hon. members from time to time decry the devaluation of the dollar, with regard to export industries it is fairly evident that it is an advantage. The devaluation of the dollar of some 15 per cent in recent months is about the same as the tariff on processed fish entering the European Common Market, so at the present time we have an advantage. The devaluation of the dollar balances the tariff, so now is the time for us to be actively pursuing European markets. Because it is only by pursuing those markets and gaining a foothold in those markets for processed fish that we can have maximum benefit for the economies of the east and west coasts. In order to get maximum benefit for these economies there has to be the maximum amount of processing of fish at the local level.

I would like to quote from the report of the People's Commission on Unemployment. I have done this before. I want to quote from this report because I think it is a very good report. It contains a very good analysis of the Newfoundland economy in particular, but with regard to fisheries it applies to the industry nationally. One of the recommendations of the commission is found at page 103 of the report and reads as follows:

That a policy of total processing and packaging of our fish be implemented to provide more jobs here in Newfoundland, tariff restrictions notwithstanding.

Tariff restrictions are the main problem right now, but we can get around that by aggressive marketing policies, especially now when we have an advantage on the international market because of our devalued dollar.

I trust that this new department will look to the future of the fishery and will foster the future development of the industry in a way which will benefit people on the east coast—fishermen, processors, plant workers—and also fishermen on inland waters as well as on the west coast. Our party supports this move as a good reflection that the government recognizes the importance of the fishery to this country now.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome this opportunity to participate in the debate on Bill C-35. As the present minister is well aware, I think it is in the area of Marseilles, France, where people make a special dish. I believe they call it bouillabaisse. The minister will have to correct me on my pronunciation, but I think that is a rich fish stew which contains just about every type of fish which comes out of the sea. Bill C-35 could well be called bouillabaisse because it contains many words which apply to the Department of Fisheries and the Environment as well as many other items.

Nevertheless, I am pleased to note that the government has finally decided to re-establish a separate department of fisheries called the department of fisheries and oceans. The peril, however, in bringing forward this measure in an omnibus bill is that it could needlessly be delayed because of problems associated with other parts of it. In our view the part of Bill C-35 dealing with the establishment of a department of fisheries and oceans should have been brought forward separately and divorced from the other parts of the bill.

Actually, we should not be discussing the re-establishment of a separate department of fisheries at all. The fact that we are discussing this matter is a direct result of the Liberal government's having needlessly ended the existence of the department of fisheries in 1970. Having made that change, the Prime Minister (Mr. Trudeau) soon suffered some political remorse over what he had done because in the 1974 election campaign he promised to establish a separate department of fisheries. Five long years later it appears that this promise is finally coming to fruition. I add that this is somewhat typical of Liberal promises, especially campaign promises; they are long on words and short on action.

It should also be noted that this bill is very similar to Bill C-65, which was very hurriedly introduced on the second last sitting day before last summer's recess. Obviously, the Prime Minister wanted to place that bill on the record in case he decided to call a fall election. However, things then started to happen. We had a Gallup poll, we had a Goldfarb poll, we had the North Pole, the South Pole and the "roly-pol". All these polls seemed to frighten the Prime Minister out of his wits, and when he could not find the courage to call an election, what did he do? Did his government introduce his bill at the first opportunity? It did not. It delayed action for another five months.

In fact, further delays could result from the government's seeing fit to introduce an omnibus bill dealing not only with the re-establishment of a separate department of fisheries, but also with the employees of Canada Patents and Development Limited, the representation commissioner, the Medical Research Council, the National Research Council, the Natural Sciences and Engineering Research Council, the Social Sciences and Humanities Research Council, parliamentary secretaries and the Department of the Environment. I submit that these measures could well have been dealt with in a separate bill.

It should also be recognized that the establishment of the new department will not in itself be a cure-all for all the problems which presently plague Canada's fishing industry. The proposal by our lead speaker that this bill be referred to the Standing Committee on Fisheries and Forestry is one that I endorse. I think various proposals in the bill would be more acceptable if the debate were carried out in that particular committee, since those members of the Commons who have expertise in fisheries and the environment generally are present at the meetings of that committee. So I think it would help bring forth a better bill. This is a proposal I endorse and throw out for consideration by the government.

● (1640)

The measure of success of any government policy cannot be based upon the government's view of things, but rather upon the view of others, especially those directly involved in the industry. This leads us to ask how the government's fisheries policy is faring. In the letter to the Prime Minister of September 22, 1978, the Fisheries Council of Canada stated:

> We are deeply concerned that the potential of our industry will not be realized because your approach to the country's economic problems is not being followed in respect to fisheries. In fact in fisheries the government's approach is one of increasing intervention and opposition to the private sector.
>
> To realize the opportunities, it is necessary to establish a continuity of investment. As Mr. Chrétien has put it, encourage risk taking and willingness to spend in the private sector that is essential to get the economy growing faster.

But the council points out that this depends in turn to a large extent on the creation and maintenance by government of a favourable climate for future investment.

The letter goes on to say that the council regrets the government's approach to fisheries is not creating a favourable climate for long-term investment, and they itemize some of the main problems as follows. First is the refusal of the Minister of Fisheries and the Environment (Mr. LeBlanc) to issue to Canadians licences for freezer factory vessels. This is particularly difficult to understand when such Canadian vessels would replace only foreign effort and would not reduce by a single pound the existing catch of any Canadian fisherman. Second are the unclear and unwise policies in such areas as ownership of vessels; and third, the ad hoc manipulation of the fisheries resource instead of forward planning for development.

It is my understanding that this letter was almost completely ignored by our Prime Minister. He sent only a pro forma reply thanking the fisheries council for its views. I submit that the time is long past for nice words of gratitude. I submit that what is needed now is action, or otherwise the Canadian fishing industry will lose the optimum benefits of the 200-mile limit which we on this side have originally proposed.

The fisheries council points out that the federal government has the complete responsibility for the management of the fisheries resource and that lack of jurisdiction over the stocks in the past has handicapped the ability of Canadian scientists and resource managers to carry out their mandate. However, the council makes the point that the scientists are now in a position to manage properly, but they have much to do in gathering knowledge of stock size and population dynamics. This is the area where the federal government has the responsibility and the expertise, and it is here that it should be directing its efforts rather than in commercial activities which must be the responsibility of the private sector.

I endorse those views of the council on behalf of the fishermen. What was the government's response to this important recommendation? Almost at the same time that it was being made, the government announced its decision to close down the Halifax fisheries laboratory, effective April 1, 1979, and its plan to discontinue all programs involved in research oriented toward the secondary fishing sector; that is, fish processing. The stupidity of this move became evident finally

even to this government, and on December 21, 1978, the minister, in a press release containing the kind of double talk to which we have become accustomed from this government, stated that he had completed his review of cutbacks in fisheries technological development programs and said he had no intention of reducing essential fisheries research. I ask the minister, when he replies in this debate, as I am sure he will, to define to the fishermen of Canada and to the people of Canada his interpretation of the meaning of the word "essential".

He has stated that the fisheries technological laboratories at Halifax and Vancouver would not be closed down, which I submit is comparable to telling the crew of a ship: "Have no fear, your ship will sail, the only difference being that there will be a few changes; there will be no captain, mate, cook, bosun or engineer." At Halifax, where there was a total staff of only 79, some 23 scientists will be laid off. On the west coast, where there is a staff of only 31, some 11 scientists will be dismissed. The only place where no changes are contemplated is in Newfoundland where, as I understand it, only seven scientists are employed.

At the Halifax laboratory, for example, there are at least four divisions. In the resource utilization division, 11 scientists, including the division chief, will be dismissed. This minister and this government have destroyed the division, which leaves us to ask: Just what were these scientists doing? They were studying and developing processes for utilizing fish for human consumption which would otherwise be turned into fishmeal or thrown overboard, completely discarded. They were developing new processes for mincing and flossing saltfish, new storage techniques, such as hypobarric or reduced pressure storage so that fish could be stored for longer periods. All of this important work now goes by the board.

In the chemistry division where studies were carried out on the nutritional value of fish, among other things, ten scientists will be displaced. Perhaps their most important work was on the value of marine oils to mankind. But this work is considered unimportant by this government and by the minister so three research scientists, three chemists, a biologist and three technicians will be dismissed.

The industrial development division remains untouched, but in program management two out of four of the key men presently employed will be laid off. So much for the minister's announcement.

The minister in his statement of December 21, 1978, said:

> With the resurgence of the fishing industry in the past year or so, companies should now be in a position to meet these development costs themselves.

The minister seems to forget, for example, that lobster fishermen are individuals, that they generally do not own large companies and they are therefore not in a position to continue the studies of the fisheries laboratory on wet storage for lobsters, or the studies on the relationship of offshore and inshore lobster stocks, or the studies on an acceptable substitute for artificial baits for lobsters so that valuable mackerel and herring presently used for lobster bait could be sold for human consumption, thereby increasing the fishermen's income.

The actions taken by this government will seriously affect our fishermen and our secondary industry. They are in direct contradiction to the advice given to the government by the industry. I submit that this policy, which the minister stands by so firmly, should be changed. In fact, when making these changes in our scientific staff, no mechanism whatsoever has been established for the transferral of the 54 years of basic research expertise either to the provincial governments or to private industry. Some of these scientists have ten to 15 years or more of experience, and this type of know-how once lost cannot easily be regained. Some of these scientists already are planning to go to the United States out of necessity and the need to obtain employment. Their knowledge will soon be aiding our competition. These scientists were showing our individual fishermen and our secondary industry how to upgrade their product.

• (1650)

Therefore, we view this section of the minister's fisheries policy as a retrograde step which should be reconsidered. Following the next election, when we on this side form the federal government—

Mr. LeBlanc (Westmorland-Kent): God help us.

Mr. Crouse: The minister did not finish his statement.

Mr. LeBlanc (Westmorland-Kent): God help the fishermen.

Mr. Crouse: What he meant was: God help him and hon. members opposite. Because after the next election they will be sitting on this side of the House. When we form the next government—and believe me, we will do that—

Mrs. Sauvé: When will that be?

Mr. Crouse: The hon. minister will be able to grunt and groan when she is on this side of the House after the next election.

The Acting Speaker (Mr. Turner): Order, please. I suggest the hon. member should talk about Bill C-35, not the next election.

Some hon. Members: Hear, hear!

Mr. Crouse: When we form the next government, we intend to place not less but greater emphasis on fisheries research. We believe the people on the east and west coasts, as well as the industry, deserve this type of consideration since capital expended in this manner is a form of pump priming which generates industrial expansion.

The provincial governments also have been critical of the present government's fishing policies. They have called for action as well. In November, 1977, the Atlantic premiers prepared a policy paper urging the federal government to implement a fishing vessel replacement and upgrading program in concert with the provincial governments. At that time they said the following:

Unless our fishing industry is rapidly developed, a large part of the potential economic benefits from our 200-mile zone will be unnecessarily deferred and possibly lost to Canada and foreign nations will continue to reap significantly benefits from our fisheries resources.

Only inaction was forthcoming from the federal government regarding this provincial initiative. Consequently the provinces have been forced to do it alone. This is apparent from the Newfoundland government announcement in November, 1978 that it would implement a $500 million fisheries development program providing 4,500 new jobs.

Mr. LeBlanc (Westmorland-Kent): Who pays for it?

Mr. Crouse: I ask the minister, who is paying for Mirabel which is going in the hole in the amount of $1 million a week?

Mr. LeBlanc (Westmorland-Kent): Stick to the issue.

Mr. Crouse: The issue is the reallocation of federal tax funds in order to generate the expansion of industry in areas where expansion is required. Now the federal government faces the prospect of possible conflicting provincial fishery programs because it has refused to take positive action in fishery development.

In the spring of 1978 issue of "Canadian Public Policy", C. L. Mitchell of the economic analysis division of the Department of Fisheries and the Environment stated the following:

There is still no clearcut management strategy for the 200-mile economic zone by Canada.

Government policies have been formulated in a piecemeal fashion without any concept of an over-all management strategy. He added that the economic difficulties now facing the coast fishing industry indicate that it is not a leading sector but a lagging one, one requiring massive inputs of federal financial assistance to survive. However, the magnitude of this assistance can be justified on the premise that although the industry has its problems, it has the potential to become a leading sector. It is essential for this potential to be realized since the Canadian economy is experiencing severe economic difficulties due to inflationary pressures, high wage rates and balance of payments problems.

There are numerous policy issues which the government has to face. Groundfish stocks are increasing so that it is now becoming possible to consider more efforts by both inshore and offshore fishermen. The year 1979 will mark the third year since the declaration of our 200-mile limit. Consequently, the industry believes that a policy should be established now for controlled expansion of inshore and offshore fleets, and providing for the selection of licences to be unfrozen in a fair, equitable and orderly manner. By establishing such a policy now, some unnecessary uncertainty would be removed as vessel licence owners would know the order in which licences would be unfrozen, and along with shipyard operators they could plan for the sizeable investments which will be required.

Instead of following this course, on December 4, 1978, the minister announced a six-month freeze on new entries to the inshore fishery in most Atlantic coast areas. Canada cannot reap the potential benefits of the 200-mile limit if its fleet does not have the capacity to harvest the fish stocks available during the next decade. Many of the vessels in the present fleet are technologically obsolete.

Much of the fish allocated by Canada to foreign countries is of non-traditional species, such as squid and silver hake. These species cannot be landed in good market condition by present Canadian trawlers. Rather, they are caught by foreign freezer trawlers. Using our own or leased freezer trawlers, these fish, plus other more traditional species in distant waters, could be caught by Canadians. Additional work would be provided for Canadian fishermen and plant workers. New products would be available for sale in overseas markets. Therefore, until Canada is prepared to license Canadian-owned freezer trawlers fishing for both traditional and non-traditional species, many of the benefits of the 200-mile limit will be missed by Canadian fishermen.

In response to this problem, when my party is elected to power we would implement a licensing policy which would permit Canadian-owned freezer trawlers to catch some of the large quantities of fish the present government is now giving away to foreign countries. The minister claimed that freezer trawlers are not economically sound. This is not a decision which must be made by the minister, unless we are to go from a private enterprise system to a totally socialistic system. The opportunity should be provided by the minister and his government. Then he should let the individual fishermen and the companies with whom they are involved make the decision as to whether it is economically sound.

As well, we would set up a fisheries development fund from which grants and loans would be made available for ship refits and new ship construction. On shore this fund could provide assistance for the construction of freezers or holding depots for fish. By being able to freeze more fish, processing plants would operate year-round, thereby providing needed employment in the maritime regions.

If we do not move quickly to catch Canadian surpluses of existing quotas, probably we will be pressured under the terms of the bilateral fishing agreements with the international community to give up our right to catch these resources. This is a genuine threat. In this field the minister adopted a go-slow approach. Sometimes I think he has gone in reverse. It is amazing. So far the minister has not developed a long-term plan to Canadianize the offshore fishery. There has been no apparent recognition of the long lead times required to accomplish this end. In addition, to date bilateral discussions with foreign countries related to these surplus quotas have been conducted with insufficient input from or consultation with the industry.

Marketing uncertainty has been caused by the government's closed-mouth approach to tariff negotiations. Since 1974 the industry has submitted three briefs to the Canadian Trade and Tariffs Committee. However, little feedback has been forthcoming about the progress of negotiations. Prior to Britain joining the common market, Canada had free entry of canned salmon, shrimp and lobster into the British market. Now the tariffs on these products range from 17 per cent to 18 per cent,

despite the fact that these tariffs are not protecting a domestic European product.

Also Canadian industry faces unfair discrimination in some instances. For example, in groundfish exports the Canadian industry faces tariffs from 15 per cent to 18 per cent into the Common Market, whereas the Common Market tariff against Norwegian groundfish exports is 3 per cent and against Icelandic exports it is duty free. Canadian industry only wants equal treatment with these two major competitors.

There are other trade concerns.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): Order, please. It is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Burnaby-Seymour (Mr. Raines)—Canadian Broadcasting Corporation—Salary paid to newsreader Knowlton Nash; the hon. member for St. Boniface (Mr. Hare)—Social Insurance—Use of SIN; the hon. member for Palliser (Mr. Schumacher)—External Affairs—Francophone summit meeting—Discussions with France.

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

● (1700)

Mr. Pinard: Mr. Speaker, I would ask that we proceed with Bill C-218, and that other private members' bills be allowed to stand and retain their precedence with the unanimous consent of the house.

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

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Agreed and so ordered.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADA SHIPPING ACT

INCREASED PENALTIES FOR POLLUTION OF WATERS

Mr. Allan B. McKinnon (Victoria) moved that Bill C-218, to amend the Canada Shipping Act (pollution), be read the second time and referred to the Standing Committee on Transport and Communications.

[Mr. Crouse.]

He said: Mr. Speaker, it is with pleasure that I rise to ask this House to pass Bill C-218, to amend the Canada Shipping Act. Perhaps the easiest way to explain this measure would be to read from the explanatory notes in the Bill itself:

> This bill recognizes that modern bulk carriers can carry millions of dollars worth of oil or other potential pollutants and that the damage from a massive oil spill can run into the tens of millions of dollars. Its purpose is to make the penalties for operating a vessel in such a way that it poses a threat to the environment commensurate with the damage such action can cause. It is hoped that the significant deterrent provided in this bill will more fully ensure that Canadian regulations designed to prevent pollution are obeyed completely.

All too often Canada has neglected her maritime heritage and minimized the importance of the seas to the nation. "From sea unto sea" is not motto which restricts us; the seas do not hedge us in; rather they are our highways to the world. While we can all mouth such bold phrases as "the world's longest coastline", "coasts on three oceans", these have been homilies often repeated but seldom acted upon.

Perhaps we need to look at these situations in new ways if we are to realize again the importance of our maritime commerce. Consider the fact that eight of the provinces have ports which handle international cargo. Moreover, and somewhat paradoxically, the two land-locked provinces, Saskatchewan and Alberta, are heavily dependent upon ocean transport for shipping grain, one of Canada's most important exports.

Just as too many of us have failed to realize the vital importance to Canada of maritime commerce and of our ocean resources, this government has allowed the Canada Shipping Act to become outdated. It is, sadly, an act which was written for earlier times. It is an act which needs to be amended so that its provisions will be relevant to today's shipping. It is for this reason that I propose these amendments to the Canada Shipping Act.

I should make it clear at once that I do not expect that the specific element of this bill—an increase in the fines which can be assessed under the act—will solve the problems created by this government's lack of concern with maritime affairs. Similarly, I am familiar enough with the ways of this house to know that extensive modifications of an act as complex as the Canada Shipping Act cannot be expected to be realized through the mechanism of the private member's bill. Rather, I have introduced this bill to point out one of the particularly simple ways in which the government has allowed the act to become outdated. It is my hope that this will prompt the government to amend the act to bring it into reasonable accord with today's situation in shipping.

Of particular concern to the residents of coastal communities is the potential for disastrous pollution posed by today's supertankers. Twenty years ago, when tankers of 40,000 tons were the largest to be seen and oil was cheap, fines of $100,000 may well have seemed Draconian; now with tankers of 400,000 tons and cargoes of oil worth tens of millions of dollars, those fines pale into insignificance. Supertankers have indeed forced a complete rethinking and re-evaluation of the seas and shipping and the relation that these bear to society as

a whole. Ships which may take half an hour and four miles to stop, which have a turning radius measured in miles, and which have the colossal momentum required to do significant damage while barely moving, are not the ships which the shipping act was designed to cover.

What we must admit is that these ships force us to re-think the nature of freedom of the seas: that is, the relation between littoral states themselves. These changes have been made necessary by the changed nature of the ships; they have been made urgent by the scale of damage which a mishap can now cause. The changes being wrought in these areas fall into two major categories: changes to ships, the way they are built, maintained and manned; and, secondly, changes to the ways in which ships may be operated.

Let us begin with the first category. In some ways this is the easier group to deal with as the problems are largely technical—matters of design and reporting procedures. Even these changes are not straightforward, however.

The 1973 conventions of the Inter-Governmental Maritime Consultative Organization, known as IMCO, were not ratified largely because of difficulties with the drafting of the technical articles. Now that the errors of the 1973 conventions have largely been rectified by the 1978 conventions, it is time for the Canadian government to ratify these protocols. That these protocols require amendments to the Canada Shipping Act is all the more reason for the government to sign the protocols, as they could use the opportunity to bring about other improvements to the act.

In looking over these protocols it is apparent that much of the concern of the convention has been with the pollution caused by current habits of dumping the oily residue left after flushing tanks which have been unloaded. While such pollution is certainly not as spectacular as that created by tanker founderings, the cumulative effects of such minor incidents are far more severe, and it is with the consequences that we must be concerned. If stopping two hundred gallon spills or one hundred flushes lack the high profile politically of swinging into action after a disaster, that is too bad. We must concentrate on what does the most good, no matter how mundane the continual inspection of radar, steering systems and clear segregated ballast may seem to be.

The tendency of this government to go in for big, splashy programs, often at the expense of effectiveness, is of particular concern to me. I should like to relate to the House a particularly frustrating example, one which was the result of oil leakage or tank flushing, the major source of oil pollution.

Some five years ago the municipality of Oak Bay, which is in my constituency, suffered a small oil spill offshore. The municipality was made aware of this before the oil came to shore and they set about with an emergency crew to mop up the damage before it became worse by drifting on to the sand and rocks of the foreshore. They were able to complete the work within hours at a cost of $430.

They started very quickly trying to recover this money from the government, which has assumed the responsibility of paying the claims of people who are not covered or not able to claim against the ships involved. This is accomplished by application to an unusual little organization which looks after the maritime pollution disaster fund. This may have started off being a small organization, but with claims of 15 cents per ton for every ton of oil that is shipped into Canada, or from one point in Canada to another, over several years this has amounted to some $48 million or $49 million.

From time to time I have put questions on the order paper concerning this maritime pollution disaster fund. The last question was answered on December 15 just over a month ago. At page 2178 of *Hansard* for that date we find the following question:

> What is the total amount accumulated in the maritime pollution claims fund?

The answer was $48,997,810.93. The second part of the question, which might be even more interesting, was:

> How many payments have been made from the fund in each case (a) in what amount (b) to whom (c) on what date?

● (1710)

The answer to the question what had been paid out of this $48 million was that there had been two claims, one for $345.90 to a Mr. William Guimond, a fisherman at Pointe au Père, Quebec, on October 23, 1975; and a second payment of $300 to a Mr. Eudore Boudreau, fisherman, Carleton, Quebec, on January 5, 1977. So we have managed to pay out $645.90 of that $48,997,810.93 in the fund. I would also point out that they quit contributing to that fund according to last year's report of this organization. The report reads:

> The payment into the fund of 15 cents in respect of each ton of oil—was cancelled as of September 1, 1976—

I suppose it is of interest only to people in this House that there seems to be a slight difference in the balance of the fund at the present time. The current report which was tabled today shows a balance of $46,936,174, whereas according to the order paper answer which I received in December it was $48,997,000, an extra $2 million which must have come from somewhere. It may be interest accrued on the $46 million which they had last spring.

I took the occasion to get in touch with these people regarding the Oak Bay problem. I eventually found that the government has a set of reasons as to why one cannot qualify for these funds. One qualification which Oak Bay did not meet was that they did not have previous Privy Council approval for cleaning up the oil spill. How ridiculous can an act get, when it expects a municipality with a three-hour time difference and faced with an incoming small oil spill at midnight to wake up the Privy Council?

We cannot wake them up during question period, so how on earth is Oak Bay going to wake them up at three o'clock in the morning to get approval to clean up the oil spill before it drifts ashore? I would hope that some minister of transport some day will be able to find out just what the reasons are as to why no money ever comes out of the maritime pollution disaster fund and why the fund does not satisfy the ordinary means of the

small communities which run the most danger from such disasters.

I think that this example demonstrates, Mr. Speaker, that legislation in this area must be flexible, but, above all, responsive to the immediate problems, not just the spectacular problems. Similarly, the technical changes which need to be made to Canadian shipping regulations—such as back-up radar, twin screws, segregated ballast, properly trained crew and careful inspection—are vital, though perhaps not overwhelmingly exciting. We must ensure that in these areas the appropriate authority, in most cases the coastguard, has the resources required to do a thorough job as well as sufficient authority to ensure full compliance with the regulations and sanctions such as those proposed here.

Earlier I referred to another type of change which will have to be made if maritime shipping is to be made safer—changes to the human side and the way the ships are operated. I realize that these questions are often harder to deal with than the seeming complexity of technical changes, and I certainly approach this end of the problem with some reticence. The fact remains, however, that the best designed ships will not of themselves prevent accidents; much also depends upon the maintenance of the ship and the diligence and training of the crew. Unfortunately, time after time when spills are investigated it is found that the crews were overworked, undertrained, and that basic equipment was not up to par. In this regard I would like to refer to the findings of Dr. McTaggart-Cowan's inquiry into the *Arrow* disaster. He found that the radar had ceased to function an hour before the ship struck, the echo sounder had not been in working condition for two months, and the gyrocompass had a permanent error of three degrees. I read now from the conclusions of that committee of enquiry:

> We are well aware of the fact that no form of transportation can be 100 per cent safe but from the record available to us, the standard of operation of the world's tanker fleets, particularly those under flags of convenience is so appalling and so far from the kind of safety which science, engineering and technology can bring to those who care, that the people of the world should demand immediate action.

As Dr. McTaggart-Cowan points out, one of the primary obstacles to realizing significant change is the refuge offered by flags of convenience. It is impossible to believe that Liberia makes even the most perfunctory effort to ensure that ships registered there are competently manned or in proper running order. In this regard I would like to quote from a report tabled today by the administrator of the maritime pollution claims fund where he speaks of an incident when the *Island Spruce* broke adrift from her tow, resulting in a suit to recover the cost of an action to prevent oil pollution:

> The ship-owner, the Cayman Islands corporation, does not appear to have been insured, nor, at the moment, to have any apparent assets upon which to realize.

Of course not, it is a one ship company. The world is plagued with these one ship companies which have as their sole asset one single ship, and if it runs aground they simply abandon it. This effectively shields the actual owners from any responsibility. While the Canadian authorities have had to try to deal with this problem by inspections after the ships have

docked, this is clearly an after-the-fact approach, as the ships have already made their oil-laden journey. What seems to me to be needed is tighter international licensing regulations of both men and machines, as well as more uniform international inspection. This may seem impractical for some. However, I am drawn to compare the situation in international maritime trade with that of international civil aviation. In that field, the International Civil Aviation Organization, ICAO, has been highly successful in imposing technical and personal standards and in facilitating the adoption of uniform standards in guidance systems.

Let us consider ICAO's success to see whether we can learn from it any lessons which could be used to strengthen bodies like the Intergovernmental Maritime Consultative Organization, IMCO. The universality of ICAO regulations seems to stem in part from the fact that countries use them as basic regulations for all planes landing there. The locus of enforcement or initiative is shifted to the nation of registration. As well, many countries, particularly among the advanced industrial states, have registered supplemental accord raising their standards above the basic ICAO levels.

The conclusion should be clear, that even in the absence of sufficiently stringent IMCO regulations, the oil consuming nations could band together to enact stricter rules for ships using their ports. As these ports represent an overwhelming percentage of the trade for oil tankers, market forces would soon make these the effective minimum standards. By enacting such standards jointly, Canada, Japan, the United States, the EEC and Scandinavia could effectively set the standards for world oil shipping.

There is another aspect of this subject, Mr. Speaker; I would like to compare our approach to shipping with that of aviation. This facet of the question concerns the control of ship movements and knowledge of those movements. While in aviation there is a ground control which knows of the movements of all commercial aircraft in its area, no such mechanism exists in even heavily-used, major waterways such as the English Channel. Similarly, while an airplane pilot must keep ground control closely informed of any problem, no such imperative exists for ocean commerce.

One of the particularly upsetting features of the *Amoco Cadiz* foundering was that the French coastguard was not informed until after several hours of negotiation and then an attempted rescue by a German tug. This neglect of the public interest, despite the fact that the damage to the shipping cargo may be dwarfed by the damage to the coastline, is a relic of older times and must be changed.

I see that my time has just about expired. I would simply say that we must open up the shipping act one way or another. I am not foolish enough to be optimistic about the passage of this bill, Mr. Speaker. I have proposed these amendments to the Canada Shipping Act because I fear that the act has failed to keep pace with the rapid changes in world shipping, particularly with respect to the transportation of oil and products such as liquid natural gas. Canada should be pressing strongly

for better ships to transport these commodities, and for tighter controls over the manning of these vessels.

● (1720)

To these ends we should ratify the IMCO accords of 1973 and 1978 and continue to press for tighter regulation of crew training. Unilaterally, Canada should continue to inspect ships closely and demand high standards of ships using Canadian waters. We must make sure that the coastguard has sufficient resources to do this as well as perform the increased duties brought on by the 200-mile limit. In addition, there must be sanctions sufficient to deter those who would ignore Canada's attempts to protect her maritime environment.

Mr. Hugh A. Anderson (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, apparently the intention of Bill C-218 is to set the maximum fine for certain offences under the Canada Shipping Act at three times the combined value of the ship and its cargo, thus acting as a much greater deterrent in case of massive oil and other pollution spills. The present maximum fine is $100,000.

As a member of parliament from British Columbia representing a constituency on Vancouver Island, I must say there is a great deal of basic sympathy for the remarks made by the hon. member for Victoria (Mr. McKinnon). I think many of his statements are fitting and correct, but regarding the proposed provisions for three times the combined value of the ship and its cargo, while I think the basic idea is both commendable and interesting, upon closer scrutiny the proposal begins to show some serious weaknesses, not the least of which is a scatter-gun philosophy which fails to take into consideration other forms of penalties. The end result could be harshly punitive and far out of proportion to the offence committed. What the proposed bill does not do, Mr. Speaker, is take into account the differing nature of offences specified in the Canada Shipping Act and its regulations.

The bill would, in effect, result in a maximum fine of three times the combined value of the ship and its cargo applicable to: failure to comply with a pollution prevention officer's orders or directions; sections dealing with evidence of financial responsibility by the owner of the ship or its cargo for civil liability purposes; regulations dealing with fitting, maintenance, testing and use of electronic and other navigational equipment; infractions and maximum quantities of pollutants; loading procedures; navigation practices; records to be kept on ships and certificates showing compliance with the act and regulations, and on and on. The proposed bill, containing one single nucleus of a deterrent, would presumably hope to cover this wide variety of possible offences. It would encompass everything.

There have been a number of major pollution incidents over the past decade which have focused international attention on marine spills, such as the one involving the *Arrow,* the *Argo Merchant,* and in 1978, the incident where the *Amoco Cadiz* oil spill drenched the holiday coastal areas of France. These events were accidental in nature and mainly the result of human error or abnormal or unusual conditions.

Unless evidence is produced showing that these types of disasters were due to criminal negligence or acts on the part of the master of the ship or other persons, action to obtain compensation for pollution damage must be taken through procedures other than the act, or other regulations and provisions, since the latter exclude accidental spills due to stranding, collision and foundering, or discharges to save lives or the ship itself.

When one considers the scope and nature of the Canada Shipping Act and the regulatory provisions which relate to oil pollution or other types of spillage, plus the types and variety of vessels subject to these provisions, it becomes quite obvious that a maximum penalty of three times the value of the ship and its cargo is not only inappropriate but excessive. As an example, this bill could mean that a ship's master who failed to keep proper records on pollutants could forfeit a $1 million cargo and a $5 million ship upon conviction for a comparatively minor offence.

The penalty could obviously be disproportionate as well where the master, owner or member of a crew has committed a minor offence, or in instances involving offences by small ships, tugs, fishing boats or pleasure craft.

There is yet another consideration, Mr. Speaker, and that refers to the possible escalation of fines implied in the proposed bill. In 1957, when the first regulations to prevent oil pollution from ships were promulgated, the penalty was a maximum $500 fine or six months' imprisonment, or both. This was raised to $5,000 in 1965 and to the present $100,000 maximum level in 1971. It is interesting to note that over this period the actual fines imposed have risen from a few dollars in 1957 to the average level today of $4,000, with the highest individual fine being $20,000. This bill would alter the current maximum $100,000 fine and introduce new levels of monetary punishment inconsistent with what is generally accepted as an effective deterrent.

With respect to the maximum fine being set as the combined value of the ship and its cargo, it is felt that problems would be encountered by the court and Crown counsel. It would devolve on the Crown to submit evidence of the combined value of the ship and cargo in order that the court know the limit of the fine that could be assessed. While this may not be an onerous process in the case of a minor infraction involving a large ship, it could be so in the case of a major infraction involving a small ship against which the court desires to impose a more severe penalty.

While it cannot be denied that, in the case of massive oil spills, the coastal state affected is not only highly concerned in protecting its resources but will of necessity seek adequate compensation for clean-up costs, nevertheless a reasonable degree of objectivity which takes into account the magnitude and nature of the offence, the circumstances surrounding it and the persons or ships involved, must be maintained.

I believe, Mr. Speaker, that a key point that must be borne in mind is that the penalties to which this bill addresses itself are specifically for cases where deliberate and wilful contravention of regulations and directions of a pollution prevention officer occur. The penalties are not intended to provide any form of compensation against pollution damage to property, resources or costs of clean-up.

Another interesting point, Mr. Speaker, is that part XX of the act provides that the owner of a ship carrying a pollutant in bulk is liable for the costs and expenses of any action authorized by the governor in council to repair or remedy any condition resulting from pollutant discharge by the ship.

Such liability as referred to in this clause is not dependent upon proof of fault or negligence; but no person is liable for costs and expenses where he can establish that the discharge was caused by another person or where the cause was through an act of war, hostilities, or was of an exceptional, inevitable and irresistible character.

In addition, Mr. Speaker, this serves as a reminder that the maritime pollution claims fund, established under provisions of section 737 of the act, operates as an unsatisfied judgment fund, similar to that established in most provinces covering damages incurred as a result of automobile accidents where the driver at fault is not insured.

● (1730)

The proposals in this bill are, in my opinion, too general in nature to cover the national and international requirements for pollution control. If the bill should become law, it would be unfair. The bill as proposed fails to take into consideration the present diversity of legislation which has so far demonstrated its effectiveness in Canada as a deterrent. While I said I have a general sympathy for the direction in which the hon. member is going, the proposals contained in the bill are neither practical nor desirable amendments to the Canada Shipping Act at this time.

In British Columbia there is a great concern about oil spillage on the Pacific coast. One issue which has united most members from the province of British Columbia in this House is the opposition to the creation of an oil port at Kitimat. I think it is fair to say that the people of British Columbia do not want to be involved in the possibility of an oil spill in the transshipment of American or other foreign oil that would be transshipped through Kitimat to the northern tier states. This government has taken the position that it opposes the development of Kitimat on that basis.

It is interesting to note that a consortium of companies has apparently started a further drive to have Kitimat opened as an ocean-going port for transshipment of Indonesian, perhaps Arab and certainly Alaskan oil. I also understand the hon. member for Prince George-Peace River (Mr. Oberle) has supported the policy of the development of Kitimat as a port of transshipment of oil. He has stated he is in favour of this proposal and that if the Conservative party is elected as the government in the next election, it will proceed with this port.

[Mr. Anderson.]

I raise this because the hon. member for Victoria, for the very best of reasons, is concerned about oil spillage, while another member of the same party would support the transshipment of oil, realizing the dangers of a spill in that area.

It is all very well to talk about changing legislation and increasing fines. However, I hope the hon. member for Victoria will agree that in this situation the way to solve the problem of pollution, especially on the west coast of British Columbia, is not to increase the fines, but to not allow the port of Kitimat to go into operation in any sense, regardless of who supports it in the United States.

The reason Kitimat is being proposed at this time is the fact that by going from Alaska to Kitimat you go from an American port to a foreign port. The shipper therefore is not bound under the Jones act to use American carriers. By going from Alaska to Kitimat he can, as the hon. member mentioned, use flags of convenience. For that reason alone I have great fear about Kitimat being opened as an oil port, as well as the dangers because of the topography, because the entrance is too narrow for huge oil tankers.

Increasing fines is not the answer for the port of Kitimat. Members on all sides of this House should state that we will not develop Kitimat for the use of the United States which would have all of the benefits but none of the ecological or environmental problems. I hope the hon. member will agree that the solution to problems such as Kitimat is not increasing the fines for oil spills but by not allowing it to happen in the first place, and ensuring that the United States and the consortium interested in developing Kitimat are clearly told that members on all sides of this House will not tolerate development of the port of Kitimat.

[*Translation*]

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I wish to thank the hon. member for Victoria (Mr. McKinnon) for his proposal to increase fines in the case of water pollution caused by oil spills, and since I am aware of the love of the hon. member for his region and the natural beauty of Vancouver Island, I understand that he must be very concerned about the possibility of pollution.

At the present time, section 752 of the Canada Shipping Act provides a maximum fine of $100,000 for any person or any ship discharging a pollutant in contravention of any regulation made pursuant to section 728. The suggestion of the hon. member to set the amount of the fine so as not to exceed three times the combined value of the ship and its cargo is certainly interesting, but its application could present many problems, and I shall try to explain some of the difficulties that could result from such an amendment.

The present legislation aims at producing a deterrent effect in the cases of massive discharge of oil or other pollutants. Such cases result in extremely high cleaning costs as well as possible and often major damage to the maritime environment and the coastal regions. In this regard, I would refer to the

accident of the *Amoco Cadiz* on the coast of Britanny which discharged 200,000 metric tons of oil which then spread over more than 100 kilometres along the Britanny coast. As everyone will recall, this catastrophe not only destroyed marine life forms, but also chased away summer vacationers. This is one of the many such cases which greatly concern us, and such an accident could well occur along the Canadian coastline despite the action that has already been taken.

Maritime pollution is therefore a major problem and a risk that we must recognize. In this regard, these amendments would extend the penalties not only to the sections of the legislation which provide for the interdiction and control of oil spills, to the directives given to pollution prevention officers, to the proof of financial responsibility that ship owners must provide, but also to the violations of the regulations provided under the sections of part XX of the act, which concern such things as the good condition, the maintenance and the use of electronic navigation equipment, the maximum quantity of pollutants which can be shipped and the means and facilities provided for storage.

● (1740)

Those regulations apply also to the supplies and equipment the vessels should have for the treatment of pollutants, the storage of oil residues, to the supply, keeping and use of maps and nautical publications, to the number and qualifications of officers and crew members, to navigation practices and procedure, to the records, the process for loading and unloading the pollutants and the possession of certificates required by the law and related regulations.

I wish to say that if we apply more severe sanctions for contravening the provisions of the law and related regulations we would not take into account the different nature of offences described in this legislation. In most cases of oil spills, be it the *Amoco Cadiz* I mentioned earlier or the *Arrow* or the *Argo Merchant* which have been the most important oil spills in recent years, those are accidental disasters resulting most of the time from human error or abnormal or unusual conditions. Unless we have proof that such disasters are due to criminal negligence or imputable to the captain of the ship or other people, to claim a compensation we must follow procedures other than that of the law or the regulations mentioned earlier. In fact, those provisions exclude accidental spills due to leakage, collision and so on.

Compensation for damages caused by oil spills is provided by the legislation through provisions other than those I mentioned earlier. Section 734 holds responsible the owners of a polluter vessel and they have to pay all cleaning costs and expenses as established by the governor in council and the losses or damages incurred by the Crown or other individuals. In no case must there be proof of human error or negligence to establish the responsibility of the owner of a ship or cargo.

In addition to the preceding considerations, the Maritime Pollution Claims Fund, established under section 737 of the act, provides for unsatisfactory findings. This fund can be drawn upon where shipowner claims for cleaning expenditures and other pollution damages are not fully satisfactory.

In this connection, I followed with great interest the remarks by the hon. member for Victoria (Mr. McKinnon) concerning the fund's inefficiency—or operating difficulties. I also regret that Oak Bay could not get the $300 or $400 compensation due because of regulations that are somewhat too stringent in my view, or too narrowly interpreted.

I am certain the comments made by hon. member and the bringing of this matter to the attention of the House can bring improvements and those charged with the administration of the fund will have a more open mind and somewhat less literal in their interpretation of the regulations.

As stated by my colleague the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Anderson), the act and the regulations apply to a wide variety of ships, either supertankers, tankers, bulk carriers, dry good carriers, general cargo or bulk carriers, containerships, passenger ships and what not, private yachts, tugs and other small boats registered either in Canada or abroad. It might then make for heavy administration if the penalties were extended to all such classes of ships that do not always fall into the same category, as supertankers or tankers.

When the type and variety of ships subject to the act and regulations are considered, and also the nature and scope of the regulations section, it seems to me, Mr. Speaker, that a fine three times the value of the ship and its cargo are considered highly excessive in a number of cases by many people in the maritime field.

Although it cannot be denied that in the case of major oil spills, the province affected is deeply concerned for the protection of its resources and claims adequate compensation for cleaning costs, a reasonable degree of objectivity that takes into account the nature and the extent of the fault as well as the related circumstances and the persons involved must nevertheless be maintained.

When minor offences are committed by small vessels, or by the captain or the crew, in such a case, Mr. Speaker, the fine would definitely be out of proportion. Although the ruling concerning the amount of the fine ultimately remains the responsibility of the court, a higher maximum penalty could indeed result in raising the fines now imposed.

I think that my colleague from Comox-Alberni (Mr. Anderson) also raised that point when he said that in 1957, when the first regulations for the prevention of sea pollution were established, the maximum penalty then was $500 or six months in jail or both. And yet at that time the maximum fines imposed by the court ranged from a few dollars up to about half of the maximum amount. In 1965 the maximum penalty was raised

to $5,000 and fines up to this maximum were imposed until 1971. During this period, the average fine was approximately $1,000. Since 1971, with the enforcement of Part XX of the act, while the maximum fine is now $100,000, the biggest fine that was imposed was only $20,000 and the average has been only $4,000.

The number of investigations and the number of court actions finalized each year have not increased. While the ideal situation would be of course a total lack of violation of the law, it can be considered, Mr. Speaker, that the present level of fines is a major dissuasive factor. However, Canadian courts clearly have wide latitude to impose higher fines, should the need arise, since they use only one quarter of the maximum available.

As regards the proposal to establish a fine representing three times the value of the ship and its cargo, one must consider the problems that the court and the Crown would be facing in any action. According to the size of the ship as well as to the type and nature of its cargo, the Crown has to prove the combined value so that the court can know the limit of the fine to be imposed. If such a calculation can be approximate, it is nonetheless a complex process, particularly where the cargo is composed of different commodities.

Although the investigation should not be too costly in the case of minor offences involving large ships, it could however be expensive where smaller ships are involved in major offences for which the court could wish to impose a higher fine. Furthermore, in the case of actions against people, some of them having possibly no relation with the accused ship, as in the case of longshoremen for example, the proposed penalty seems altogether disproportionate.

According to the considerations mentioned earlier, it does not seem that the proposal in Bill C-218 is at the present time a desirable amendment to the Canada Shipping Act.

● (1750)

Again, the bill would increase the limit of the fines, which is presently $100,000, applicable for failure to comply with the act and its regulations in all areas. What does it mean exactly? It means for example that if there is discharge of one or several pollutants such as specified in the regulations, except for two which are authorized under part XX of the Canada Shipping Act, in all waters covered by the said part and regulations, that penalty could also apply to any person falling under the provisions who fails to give some evidence of financial responsibility such as insurance, salvage bond or any other kind of evidence of financial responsibility which satisfies the Minister of Transport, in the case of civil liability resulting from oil spills. In case of failure to comply with any reasonable requirement of a pollution prevention officer or to provide some information concerning the condition of the ship, its machinery and equipment, the nature, quantity and location of its cargo; as well as failure for a ship that is within waters described in part XX of the legislation to comply with any order or instruction of a pollution prevention officer about its route, the manner it should proceed to anchor and moor, if the pollution prevention officer has reasonable grounds to believe that the ship fails to comply with any regulation or that such an order is warranted to avoid pollutant spills.

Penalties are also levied in case of failure of a ship to comply with any order or instruction of a pollution prevention officer to report its position.

Mr. Speaker, in addition the higher penalties would apply for failure to comply with the regulations established under section 730(1)(c) to (1)(o) of the legislation and then it would become a little more difficult to levy such penalties respecting the fitting, maintenance, testing and use of electronic and other navigational gear.

Penalties could also be levied under section 730 for other classes of ships and the maximum quantity of pollutants that may be carried aboard such ships whether as cargo or otherwise, as well as the method of stowage of the cargo or fuel in such holds and tanks; respecting the supplies and equipment and the fitting and installations required for the handling of pollutants and dealing with any discharge thereof; respecting the method of retention of oily and other wastes by ships carrying pollutants; respecting regulations applicable to the maintenance and use of appropriate charts, tide tables and other nautical publications; respecting the number and qualifications of navigation and engine room personnel, including pilots and lookouts required to be on duty aboard; respecting procedures to be followed when pollutants are loaded or unloaded from a ship; respecting procedures and practices to be followed by persons on board ships in order to ensure safe navigation; for the supplies and equipment to be maintained by the operators of loading and unloading facilities for ships for use in the event of any discharge of a pollutant; and finally for records to be kept on board of any activities which result in or may result in the discharge of a pollutant as well as for the persons by whom such records shall be kept.

There are still other cases, Mr. Speaker, such as the prevention of the pollution of the air by ships, the establishment of compulsory traffic routes and of other shipping traffic controls considered necessary for safe navigation in waters to which part XX applies, the issue to the owner or master of any ship of a certificate that, in the absence of any evidence to the contrary, is proof of the compliance of such ship with the requirements of the act. Therefore, Mr. Speaker, because of all these considerations, as I was saying, I do not think it would be wise at the present time to amend the Canada Shipping Act by passing Bill C-218 proposed by the hon. member for Victoria (Mr. McKinnon).

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, in 1979, it is an unquestionable fact that pollution of all kinds, be it air, water or even sight pollution, is increasingly worrying the people of all countries and more

particularly the people of Canada. Bill C-218, proposed to the House by the hon. member for Victoria (Mr. McKinnon) reflects all the concerns expressed by the Canadian public, concerns which the hon. member wishes to still—and I can understand that—by means of his amendment to the Canada Shipping Act.

The hon. member for Victoria should be commended for his initiative although I, like the previous speakers, have some doubts about the possibility of implementing the propositions he made to the House.

Mr. Speaker, water is much too vital an element in the life of a nation to let anybody use and abuse it with impunity and inconsiderately. Water serves not only to generate electricity, which is indispensable for the economic development of our country and creates a great many jobs for our labour force, but it facilitates the transport of goods or makes sailing and canoeing possible; it contains resources which are a source of food and make it possible for thousands of Canadians to earn a living.

When one thinks of the enormous problems the fishing industry has been faced with over the past few years, one can easily appreciate that water pollution resulting from the discharge of oil, gas and other pollutants from ships in our waters is a very important cause of the deterioration of our marine resources.

Mr. Speaker, I can remember at least two instances of the consequences of oil spills by ships in my riding. Naturally, those accidents could perhaps have been avoided; I really do not know. Perhaps, from the technological angle, the ships involved might have been built to ensure more security, but in one case there was an accident: the ship struck a rock and unfortunately spilled gallons of oil which polluted not only the water but the beaches of the Magdalene Islands among others. In 1974 or 1975, there was a case similar to the one mentioned a while ago by the hon. member for Victoria, along Chaleur Bay, in my own parish of Carleton, and over roughly a 30-mile stretch. There was a cleaning operation, but even now traces of residue can still be found of the pollution caused by the *Golden Robin*. That was the name of the ship involved in the accident.

Since it is almost six o'clock, I should like to make a few remarks on the speech of the sponsor of the bill to the effect that what he is suggesting is intended to remedy the neglect of the present government. Mr. Speaker, to my mind, no federal government has ever done as much as this one to help prevent water pollution. I could name all the bills introduced by the Minister of Transport and the Minister of Fisheries and the Environment: the Clean Air Act which states, the legislation which indicates what to do with wastes spilled in the water. I think one can say there was no negligence. True, one could go to extremes, but in a society where private enterprise is expected to participate to such a great extent, restrictions must not be too numerous. I am surprised that the hon. member for Victoria, whose party supports private enterprise, should come and suggest such a fine, though I can understand that, in some cases, it might be reasonable where there was gross negligence. But when, by sheer accident, a ship spills oil or other pollutants without any fault on its part, I think it would be imposing a little too much constraint on this ship's owner. If we impose payment of up to three times the value, we will not see many ships navigating in our waters.

[*English*]

The Acting Speaker (Mr. Turner): Order, please. The hour provided for the consideration of private members' business having expired, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION ACT, 1978

DEPARTMENTS AND AGENCIES

The House resumed consideration of the motion of Mr. MacEachen (for the Prime Minister) that Bill C-35, respecting the organization of the Government of Canada and matters related or incidental thereto, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, when the House adjourned for private members' hour at five o'clock I was debating Bill C-35 which deals primarily with establishing a separate department of fisheries and oceans. I pointed out at that time that there are many grave concerns within the fishing industry at present, and now I suggest that the Minister of Fisheries and the Environment (Mr. LeBlanc) should become acquainted with them.

The Canadian fishing industry can compete in world markets, but I submit it should not be handicapped by unfair competition and by a federal government reluctant to show leadership in attaining fair competition for our fishing industry. An integral part of any successful fisheries policy, I submit, must be consultation. In this matter, the road which the federal government has travelled has been paved with failure.

In 1975, for example, changes were made in the Atlantic lobster industry. Only after the recommendations were drawn up were the fishermen involved and concerned invited to participate; and then they were invited to the Citadel Inn in

Halifax for one day and asked to digest some 160 pages of regulations drawn up by the minister and his bureaucrats here in Ottawa. No wonder that the fishermen claimed there has not been a real chance to participate in the decision-making process.

The lobster fishing policy of the present government is frightening—that is the only word I can use. It is frightening to read some of the letters that I receive from my constituents, men who have been fishing since they were 12 years old, and because they decided they could not make a living as lobster fishermen they had to participate in some other form of fishing. The minister and his bureaucrats have stated that the fishermen's lobster fishing licences will not be renewed, that they cannot follow two forms of fishing. The minister is saying in effect that they must starve as lobster fishermen. Let me point out that the same edict does not apply to defeated politicians. For example, we have one in Nova Scotia who was defeated, namely, the premier of that province, and they made him a Senator. He now draws senatorial pay, which is sufficient. He is also serving as president of Dalhousie university. It seems there are no restrictions on moonlighting for defeated Liberal politicians, but let a fisherman decide that he is starving as a lobster fisherman, and when he asks the minister to please renew his licence even though he must do some other form of fishing, the minister says, "No way, you cannot hold down two jobs. You must make up your mind." Those are the words he used when the scallop fishermen came here from Digby, Nova Scotia. When they came before the committee, what did the minister say? He would not even appear to meet with them right here in Ottawa, and yet he talks about consultation. The minister should hide his head in shame—

Some hon. Members: Hear, hear!

Mr. Crouse: —because he refused to consult with the people who were being legislated against by him and his department, when they came here to the capital at their own expense to meet with him and his associates. They were refused any right to discuss their problems.

We submit there was no consultation. This was evident during the committee's hearings last session on the bill to amend the Fisheries Act. At that time province after province came forward to testify they had not been consulted despite the fact that the bill dealt in part with pollution and environmental control, areas of shared provincial responsibility. Consequently, a Progressive Conservative government, which we hope to have soon in Canada, would do its utmost to maintain a close and continuing liaison with the fishermen, the industry and the provinces so that their viewpoints would be taken into account in the drafting and implementing of present and future fishery policies. No more do we want to hear the following complaint, as expressed by the Halifax *Chronicle-Herald*:

● (2010)

The federal officials appear disposed these days to think only in terms of handouts when it comes to maritime needs.

[Mr. Crouse.]

Thus, it is with some regret that one measures the success of this Liberal government's fisheries policies. The potential brought forth by the declaration of the 200-mile limit is enormous, but federal government inaction in fishery development could negate the achievement of optimum benefit from this limit.

Canada now has the opportunity to become the world's largest exporter of seafood products during the next decade. Because of changing factors in the industry, it should be able to increase substantially the degree of processing of fisheries products. However, without a planned and positive approach to the major policy issues facing this industry, which issues I outlined in my remarks earlier today, and the elimination of present uncertainty, many of the available opportunities may not be realized. A realization of these opportunities is critical to the creation of additional jobs and the establishment of a solid economic base for the fishing industry so that it can compete in all world markets in the years ahead.

We need a policy which would encourage investment in the fisheries by any and all Canadians. The minister has made public statements to the effect that only practising fishermen could and should invest in fishing vessels. He is on record as stating this. I cannot understand where the minister obtained such a policy. For example, does the minister believe that only bankers should own shares in banks, that only miners should own shares in mines, that only architects should own shares in buildings? The minister's proposal is ridiculous and just does not make any sense. While we on this side agree that fishermen should be encouraged to invest to a greater degree in their own ships, the fact remains that the present fleet will require a great deal of capital for replacement and expansion when appropriate. Rather than restricting the classes of investors, the government should be encouraging a broadening of the investor base. This is the concept on which private industry is based. It is the only concept which assures the greatest participation of Canadians in the growth of this important primary industry.

The minister cannot continue on his present course without bringing disaster to our area. It does not take an economic genius to realize that one cannot substantially inflate prices and costs, ban production, as the minister has done by freezing licences for the inshore fleet, the lobster fishermen and the scallop fishermen, increase taxes, and expect vigorous, healthy production. They are just not compatible. Only intellectual basket cases in the realm of economic reasoning would follow the course the minister is pursuing at present. For example, in the United States, with a population of 235 million people, the deficit this year is predicted as being $29 billion. In Canada, with a population of only 23 million people, we are facing a declared $13 billion deficit which may end up at $15 billion. This course can lead only to the total disruption of our productive capacity.

In conclusion, when the minister is free of his joint responsibilities as Minister of Fisheries and the Environment and is able to devote all his energies to our fisheries problems, I hope

he will give some thought along the lines I have mentioned toward its greater progressive development.

Some hon. Members: Hear, hear!

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, the party to which I have the honour and good fortune to belong has long been urging the establishment of a separate department of fisheries. To that extent we welcome this bill. We would welcome it with more open arms if it were confined to the division of the Department of Fisheries and the Environment into its two component parts, environment and fisheries. But this bill is a grab bag. It has many other components with which I do not propose to deal at any great length.

The hon. member for South Shore (Mr. Crouse) has spoken with experience as a background, with knowledge gained from that experience, and from close study of the problems. He spoke about the fishing problem on the east coast. I propose to deal only briefly with some of the fishing problems on the west coast. In due course some of my colleagues from the west coast will wish to make their contributions to that particular area.

In beginning my comments, I hope—and this is something of a more general nature—the minister will be able to provide the House and Canadians with some account of where we stand in our bilateral talks with the United States on the matter of fisheries and boundaries. One hears conflicting rumours as to what state the boundary talks are in, and it may very well have been decided that they should go to arbitration on the east coast. According to an announcement made approximately two weeks ago, it was decided by the Secretary of State for External Affairs (Mr. Jamieson), I hope in conjunction and collaboration with the Minister of Fisheries and the Environment (Mr. LeBlanc), to leave the west coast problems aside for the time being and deal with the east coast. They are both difficult problems, and no one will deny that.

An hon. Member: What about the north coast?

Mr. Munro (Esquimalt-Saanich): Of course there is the north coast as well and the Gulf of Alaska. I do not really think the government is capable of handling these complex problems. It cannot handle our economy. It has run us into the ground on that. What sort of results will we receive out of these discussions, even with the best negotiators in the world? With the political direction they have, I doubt very much we will receive what we ought to receive out of these talks. Before the debate on second reading terminates in the House, I hope we will have some indication from the minister as to where the talks on the boundaries, fisheries and other resources stand.

On the subject of fisheries on the west coast, I will deal primarily with the environmental aspect. I feel I have an obligation to mention some of the problems on the west coast. They are current because within the next six weeks there will be a large fishery opening on the west coast, and there is utter confusion among the trollers and the gillnetters. Only today I received a telegram from the gillnetters concerning the new regulations which were issued after the gillnetters had re-equipped their vessels to go out and fish. They spent thousands of dollars to bring their gillnet equipment up to date in order to go out and fish, and now the new regulations have been issued. The same situation is hanging over the heads of the troller men.

● (2020)

I have a feeling that both troller men and gillnetters are small business men. Sometimes they are pretty big business men, but they are independent. These are the people this government should be encouraging rather than discouraging, and that is what is happening as a result of these regulations. Our troller men are being regulated out of business. Our gillnetters are being driven out, so that all we will have left will be employees or hands working for the companies owning the ships. They will be hands on board the ships, recruited in the recruiting halls. This is only part of the fishing industry, but an important part, made up of independent fishermen who operate trollers, and the gillnetters. They must not be regulated out of existence, but they fear for the extermination of their kind. I hope there will be a re-examination of the regulations which have been drawn up and which are condemning them to extinction.

I have in the past made a number of comments about the forestry aspects of this bill and I should like to do so again this evening. I will leave the better part of that to my colleague, the hon. member for Prince George-Peace River (Mr. Oberle). I am sure he will draw on his experience to bring to the attention of the House and the Canadian public some of the disasters brought on by this government through its neglect of the forestry industry, and particularly by its attack on forest research programs of the current department and the department that will be taken over by the Minister of State (Environment) (Mr. Marchand).

I am sure the government will be bound to reply in the usual way by stating it has done wonders for the forestry industry, yet it cuts back on a number of important forestry research programs in the interest of so called economies, short run economies, I might add.

The same can be said, of course, about cutbacks in fisheries research programs run by the Minister of Fisheries and the Environment. Again, these are short-term economies. It defeats me how this government can rationalize cutbacks in research programs aimed at increasing productivity in a particular sector. I just do not and cannot understand that. I am sure the Canadian public, particularly those who have devoted their lives to these programs, will ask themselves similar questions.

If these cutbacks were related to research projects in areas where they may or may not contribute in the long run to the economy, I could understand the government taking no risks at a time of restraint. Anyone can understand that attitude. However, there are many programs at this time of restraint which could have been cut as they are not productive and do not contribute in the long term to growth and development in our economy. Yet this government chose to cut back on productive research programs. What I am saying is that when

research is virtually certain to add to the GNP we should not have cutbacks, as has been the case in respect of fisheries research programs on both coasts.

Let me make one final comment on the fisheries side now that I have found out, according to this bill, that "whales is fish." They ain't, Mr. Speaker, but according to this bill "whales is fish."

An hon. Member: They are mammals.

Mr. Munro (Esquimalt-Saanich): I know they are mammals, but for the purposes of this bill and this minister a whale is a fish. This minister is going to be responsible for the Canadian attitude in respect of the whaling community of the world. For the time being, and only for the time being, he will be speaking for Canada at the International Whaling Commission. I wondered for a time whether whales would fall on the environmental side or on the fisheries side, but I discovered after looking at the small print that they fall within the purview of the Minister of Fisheries. That being so, it is no wonder, at the International Whaling Conference in London recently, Canada's attitude caused a certain amount of dismay.

Although we are no longer a whaling nation—we have not been for years but at one time we did have a great whaling fleet—Canada regularly argues in support of and votes with Japan, which is a whaling nation. Canada supports the taking of whales, that largest of the earth's mammals, although it is a fish as far as this minister is concerned. It is the largest of the earth's mammals and is on the verge of extinction. There has been practically a universal call for the cessation of whaling on the high seas. I see the minister shaking his head. Obviously he just has not been listening. He has plugs in both ears. The fact remains that Canada, although not a whaling nation, is supporting and contributing to the taking of whales on the high seas in a manner which is completely inexplicable. I will now leave the minister with his whales which he does not know are mammals, and will turn to the purely environmental aspects of this bill.

It seems to me that the department of the environment created by this bill will not really have the responsibility commensurate with the name. What the bill says is one thing, and what it does not say is another. I would draw to your attention, Mr. Speaker, the throne speech of October 8, 1970, in which the Governor General, in outlining the programs of the government of the day, said:

> There will be proposed the establishment of a department to be concerned with the environment and the husbanding of those renewable resources that are a part and dependent upon it, with a mandate for the protection of the biosphere.

I would draw your attention to that final phrase, "with a mandate for the protection of the biosphere."

That legislation was brought forward that year also in an omnibus bill. The bill eventually became Chapter 42, 1970 Elizabeth II. Like the present bill it was cited as the Government Organization Act of 1970. It did set up on that occasion, as it appears at page 847 of the Consolidated Statutes of 1970, 1971 and 1972, the Department of the Environment. Among the things that department was intended to do, and in conformity with the undertaking given in the Speech from the Throne, and included in its duties and powers, was the protection and enhancement of the quality of the natural environment. At that time the department covered fisheries off our sea coasts and inland fisheries.

Let me draw your attention again to that phrase "protection and enhancement", because that will come up again as we continue our consideration. First let me deal with this mandate for the protection of the biosphere. I must ask myself where the mandate is for the protection of the biosphere when the Department of Indian Affairs and Northern Development is responsible for the Arctic Waters Pollution Prevention Act and the Northern Inland Waters Act? Where is that mandate to protect the biosphere when the Department of Energy, Mines and Resources is responsible for the Atomic Energy Control Act and, I believe, nuclear waste, a matter which we considered in the standing committee on national resources, not in the committee on the environment? The disposal of nuclear waste is an environmental concern. Is that the mandate which this minister will exercise?

● (2030)

I would ask also where that mandate is when the Department of Transport is responsible for the Canada Shipping Act and, more important, the oil pollution prevention regulations stemming therefrom? The Department of Transport also names a delegate to the International Maritime Co-operation Organization where pollution, among other things, is not very high on the agenda. Is this the mandate that the Department of the Environment is going to exercise?

The Department of Agriculture is responsible for the Pest Control Products Act. Is there no pollution there, and is it not an environmental concern? The Department of National Health and Welfare is, ironically, responsible for the Environmental Contaminants Act. What is the Department of Environment doing? All its responsibilities have been farmed out or have been assumed in the past by other departments. Where then is this mandate to protect, as indicated in the Speech from the Throne and as the original bill says—"the protection and enhancement of the quality of the natural environment"?

If the word is protect in accordance with the terminology in the Speech from the Throne, why was the word "protection" deleted in this particular bill and another word presented in its place? The word here is "preservation". The original bill which was passed in 1970 provided that the minister shall be responsible for "the protection and enhancement of the environment." Now we find that among the duties, powers and functions of the Minister of the Environment is the "preservation and enhancement of the environment."

I wonder if the minister understands the difference between these two words, or is there a difference in his mind? Is this just a drafting error? To my way of thinking the preservation of something as distinct from the protection of something means that we are pretty well satisfied with the way it is and we are going to preserve it as such. That is the role of the

Minister of the Environment, to preserve it the way it is and, on occasion, to ensure its enhancement.

I find that particular change in terminology unusual. It occurs in both the English and the French portions of the bill. In the earlier bill on the French side it reads:

[*Translation*]

—the *protection* and enhancement of the quality of the natural environment—

[*English*]

In the new bill it reads:

[*Translation*]

—the *preservation* and enhancement—

[*English*]

This occurs not just once, but twice. It occurs not only under clause 14 which is a rewriting of section 5 of the original act, but also in clause 6, the revised version of section 6 in the original act. The Minister of the Environment in exercising his powers shall, "promote and encourage the institution of practices and conduct leading to the better preservation"—not protection, but preservation—"and enhancement of environmental quality". This may appear insignificant, but I hope the minister will be able to explain why the wording has been changed, because preservation has a static ring about it whereas protection is a more aggressive activity, to my way of thinking. I am sure that some of us will be watching very carefully to see whether he does in fact explain the distinction which must be there, or will this be another case of 74 amendments as occurred in the Bank Act?

How many amendments to the bill is the government going to bring down before we get through the committee? On many occasions we have had bills drafted and brought down hurriedly. I do not know why that is the case with this bill, but I will bet you—

Mr. Knowles (Winnipeg North Centre): Hurriedly? Five years?

Mr. Munro (Esquimalt-Saanich): How many?

Mr. Knowles (Winnipeg North Centre): Five years.

Mr. Munro (Esquimalt-Saanich): And still there will be amendments brought down by the government, and it may even change that word "preservation" back to "protection".

Mr. Alexander: You can't trust them.

Mr. Munro (Esquimalt-Saanich): No, you cannot.

Another matter I would like to draw to the minister's attention deals with pollution control. I notice among the responsibilities of the minister the responsibility for drawing up objectives and standards relating to environmental quality and to control pollution. That is in the revision of section 5. If one sets that against the mandate stipulated in the Speech from the Throne in 1970, to protect the biosphere, is the establishment of objectives and standards going to be the only role of the Minister of the Environment?

Will the minister be able to enforce the standards or will he get other departments to enforce them? How will the minister be sure that other departments will follow the objectives and standards set down by his department unless he has the whip hand in this particular bill? I understand from his little gesture that he is not too sure. If the role is simply to establish objectives and standards, I wonder where in this bill or in the original act the minister finds the power to enforce conformity to those objectives and standards.

● (2040)

In almost every bill that we consider we have a "shall" or a "may". Here we have a "may". Clause 6(2) of the bill reads as follows:

For the purposes of carrying out his duties and functions related to environmental quality, the Minister of the Environment may, by order, with the approval of the governor in council, establish guidelines for use by departments, boards and agencies of the Government of Canada—

This is a "may" proposition. Will the minister introduce an amendment to change that "may" to "shall", or is he content with the "may"? Is this to be a wishy-washy department that only has the power to exhort the other departments, and will it produce guidelines only if it feels so inclined? It may—it is not mandatory that they should do so.

In 1970 we learned that a ministry of the environment would be established with a mandate for the protection of the biosphere. That cannot be done with a "may"; the only way it can be done is with a "shall".

I must therefore ask how effective these guidelines are likely to be even if they are produced? Was this "may" intended or was it a slip of the drafter's pen? In French it is "peut". There is no obligation involved to draw up these guidelines. I do not know whether we have created a department without teeth, or have taken the teeth out of a department that was already there. It would take a longer comparison than is permitted to us of the original bill of 1970 with the bill before us today to find out whether those components of it which relate to the environment are stronger or whether they are the same and have merely been transferred. Are there any "shalls" in the 1970 bill?

I see, Mr. Speaker, that the Department of Transport is responsible for marine pollution. In committee I asked the minister if he could produce for me a list of locations of all the pollution-fighting equipment on the west coast. He was good enough to do that, and the result was a thick print-out from a computer under the name NEELS, I think it was, giving an indication of the placement of clean-up material for oil spills. The equipment listed, however, was in the hands of Esso, to clear up their particular oil spills around their off-loading docks, or of Shell or of Texaco. Despite the size of the document it was apparent to me that the extent of the government's foresight to deal with any pollution that happened on the east coast or the west coast was practically nil.

This government will not even assist those people doing research into clean-up procedures. There are two of these in my area, one related to woodchips. It is a very good system if

the woodchips are dry and, of course, woodchips go up and down the coast all the time. It would require a command structure to divert those woodchips over to the spilled area. They would absorb, they would agglomerate, and they could be set on fire. Of course it will require research to prove that—I do not know whether it would be the Department of Transport or the Department of Fisheries and the Environment—and to permit some authority to divert some of the woodchips coming down the coast to the oil spill area and to see that they are spilled.

The problem of spilling them, getting them out over the oil spill, has not been solved. I do not know whether you would pull up the sides. It has been suggested that a helicopter could probably blow a lot of them off, and that is probably right. One system that is being worked on is a grab bucket which would be lowered from the helicopter. These things do not grow on apple trees, Mr. Speaker; they have to be developed, but no assistance is being given to the man who is working on this. The Department of National Defence is prepared to take him out and allow a small research project to be carried on within a boom in a contained area. He has appealed to the Department of Fisheries and the Environment and to the Department of Transport, but he does not really know where to go.

These are real problems, Mr. Speaker. Petroleum products are being shipped up and down our coast every day of the year, and one day there is going to be a disaster. There is no question in my mind about that, and we are not ready for it despite the NEELS.

Another type of experiment is being carried out. Someone has developed a form of sponge—polyurethane I think it is—which is specially treated to absorb oil and resist water. I have seen the experiment on a small scale. It is called "grab oil", which is self-explanatory. The product looks like sponge rubber. Within a matter of seconds of being dropped into a substance with oil floating on top, it sucks up the oil, leaves the water, and then the oil can be recovered. It can absorb 17 to 20 times its weight in oil, depending on the specific gravity of the oil. There is, of course, the question of storage of this sop-up equipment and the developer has put his mind to this question. It should probably be stored in Comox where it could readily be picked up and then dropped on site. The material is fairly bulky, so a system of compacting it would have to be developed to ensure easy storage.

These experiments are worthwhile, Mr. Speaker. The two people who have developed them to this point are anxious for assistance in research but they are not getting any, except from the Department of National Defence. If the cost of such research is compared to the cost of cleaning up of the *Amoco Cadiz*, the *Torry Canyon*, the *Arrow* and *Van Lean* spills, obviously it would be money well spent.

The minister may be charged with drawing up guidelines or establishing norms and procedures, but he is not charged with implementing any of this. This is the great defect that I see in the creation of the Department of the Environment as set out in the bill. I do not even see that it would be charged with responsibility of ensuring that research takes place in the areas to which I have referred. There is no indication in the bill that it is reponsible for research into the standards it sets, and for making sure that the standards are reasonable.

Another question is the standards in respect to domestic storage of nuclear waste, and I stress that, Mr. Speaker—domestic storage of nuclear waste. Are they to be developed in the Department of the Environment and submitted to the Atomic Energy Control Board for application? Does the Department of the Environment supervise the implementation of these criteria for the disposal of nuclear waste, or is that left entirely in the hands of the Department of Energy, Mines and Resources? Does the Department of the Environment have any responsibility for the environmental aspects of the external sales of CANDU reactors and the disposal of the nuclear waste generated from those sales? I suspect not. Therefore I feel that the Department of the Environment as developed here, set up and put in charge of this particular minister, is not really a very effective department.

● (2050)

We also heard criticisms of the application by Norlands Petroleum for exploration drilling in Lancaster Sound. The hearings were held in October and November of last year. These criticisms were legitimately made by those who participated in hearings at Pond Inlet. Is the minister going to put to rest the misgivings of those concerned interveners? Why must financial limitations be placed on those who wish to intervene? Why were not some of the hearings held here in Ottawa? Must all interveners go into the area of Pond Inlet for their interventions?

The short notice and failure to disclose full information within the time limits are another criticism. Is the minister going to satisfy those who have levelled these criticisms? I am sure the minister has had letters from a variety of sources outlining, specifying, and setting forth these various criticisms.

There was also the pervasive feeling, and this is a strange one, among those who intervened that the applicant was going to be allowed to drill in any event unless the interveners could prove that the application would endanger the environment. Surely this is a reversal of the process of natural justice. Is it not? Surely the applicant should have to prove that his activities are not going to damage the environment. These are answers the Minister of the Environment will have to give. If not, he will certainly be asked these questions in committee.

The whole principle needs to be restated that the applicant must be required to prove that his activity will not offend any of the laws of Canada or any of the criteria, standards, or objectives set up by the ministry of the environment, and not the other way around. The interveners should not have to prove that the applicant may or might. Damage is always possible. Both sides recognize this. The burden of proof lies with the applicant.

There is another criticism. It became apparent during those hearings that some government agencies wished to appear during the second hearings. However, they could do so only if

invited by the Department of the Environment. Why should they not be permitted to appear as other interveners? Possibly it is because it would destroy some of the mystique, the powers of the government, if a government department had the effrontery to interfere.

I would also like to speak about the Oceanographic Institute at Pat Bay and Bedford. I think this also falls within the Ministry of Fisheries. It could create problems. I am sorry to come back to fisheries. I thought I might have dealt with this at the beginning. I will deal with it very briefly, because my time is fast running out.

Is there not a danger that these institutes might be focused exclusively on fisheries because they come under the Minister of Fisheries, or be neglected because they fall between stools and serve a great number of departments? I hope the minister realizes they serve a great number of functions of government. They deal with ocean currents, food chains, ocean temperatures, seismic and geological work. They are also involved in international programs on atmospheric conditions. These are important. The fisheries aspects of them are also important. There is no question about that. However, there must be some way of making sure that these two important institutes, and I am glad they were not touched by the recent cuts, are given every opportunity to fulfil the functions for which they have been equipped in staff and material, and to make their full contribution to the Canadian economy.

In closing I would like to deal briefly with clause 33 of the bill because it is a weirdie.

Mr. Deputy Speaker: Order, please. To do so the hon. member will have to seek unanimous consent, because his time has expired. Is there consent to allow the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. Munro (Esquimalt-Saanich): Thank you, Mr. Speaker. The wording in clause 33 of this bill may be a drafting obscurity or an intentional obscurity. Once again I ask where the mandate is to protect the biosphere? It will take some very careful comparisons to sort out those acts for which the Minister of Fisheries is responsible as Minister of Fisheries and the Environment under the old act and the Minister of the Environment is responsible for under the new act. I wonder if there are any acts for which the Minister of the Environment is responsible. Perhaps we might discover that in committee.

Mr. Deputy Speaker: The Minister of State for the Environment.

Mr. Paproski: A little late for the news, but its okay.

Mr. Marchand: It's all right Steve, don't worry about the TV. We are doing okay.

An hon. Member: Order.

Hon. Len Marchand (Minister of State (Environment)): Mr. Speaker, I am very pleased to take part in this debate tonight on Bill C-35. As far as the Minister of Fisheries (Mr. LeBlanc) and I are concerned, this is a very important step forward.

I tried to listen very carefully to the points made by the various speakers in the debate today. I will note them very carefully. Undoubtedly I will not be able to answer all the questions raised by the hon. member for Esquimalt-Saanich (Mr. Munro). As he knows, we will deal with those in committee in the greatest of detail. If I were to deal in detail with the questions he and other members raised tonight, there would be no time left.

Eight years ago the government affirmed its concern for Canada's physical environment when it proposed to parliament the creation of the Department of the Environment. That department brought together for the first time concern with the quality of the environment and concern with the sound management of our renewable resources. Today, in the light of eight years' experience, and looking ahead to the problems and the opportunities of the 1980s, the government is seeking the creation of separate departments for the environment and fisheries and oceans. This change is, first and foremost, a recognition that each of these areas is of such importance to the present and future well-being of Canadians as to require the full-time dedication of a minister of the Crown and of a distinct department.

● (2100)

My colleague responsible for fisheries will tell the House what has been done and what awaits to be done in the exciting areas of fisheries and the oceans. Therefore, despite a temptation as a British Columbian to speak of the great prospects for the salmon fishery, I will not speak about fisheries other than to assure hon. members that my colleague and I, and our respective departments, will continue to work in closest collaboration because of the inseparability of the fisheries resource and the health of the physical environment at large.

The past year since the decision in principle was taken to separate fisheries and environment has been an opportunity for us to think afresh about the mandate, the orientation, and the responsibility of an environment department at the federal level. We have done so in recognition of the changing environmental problems which face this nation, of the greatly enhanced capacity of the provinces to deal with the environmental concerns within their jurisdictions, of the changing nature of federal-provincial relations, of the finite nature of so many of our resources, and of the growing recognition of the need to have our economic development take place in a manner consistent with a sound physical environment. Thus, what this bill proposes is not just the division of a department but the creation of a new department of the environment to provide leadership which will enable this country to meet the environmental challenges of tomorrow.

The bill before the House would charge the minister of the environment with the formidable and positive task of preserving and enhancing the quality of the Canadian environment for the benefit of present and future generations. Three goals

spring from this task. First, through his knowledge of the physical environment, and his authorities, the minister has an important responsibility for contributing to the quality of life of all Canadians, based on a society in harmony with its environment; second, he is expected to safeguard man's health and property from harmful substances and environmental changes, whether natural or man-made; third, the minister must encourage resource productivity through the conservation and wise use of renewable resources—our forests, our water, our wildlife.

There is often a perception of dichotomy, of opposition between protection of the environment and development, Canada is a growing and developing country. We need jobs for our people and we need many—though not all—of the things which jobs create. But development is not indiscriminate growth. Development must, by definition, respect the base on which it is built, since otherwise it cannot be sustained.

Therefore, Mr. Speaker, I see it as my responsibility to contribute to the environmentally sound development of this country; the three objectives I have stated come together in harmony around that theme. Without sustained productivity and use of our natural resources there is no development possible for this country. I am thus concerned with the use of our resources, now and in the future.

My responsibility is to help make the difficult choices, which can only be done on the basis of sound knowledge of the present and longer-term effects of man's activities on his physical environment. That knowledge lies to a considerable extent within Environment Canada, and the good judgment which comes from such knowledge will be brought to bear on all the decisions of government. The Department of the Environment will thus contribute to the economic development objectives of this government and of this country. It is the repository of data and knowledge which others fail to take into account at their peril.

An environment department with a strong environmental policy is an essential element in the whole social and economic well-being of Canada and Canadians, and it is to be strengthened by this bill.

How is this to come about? Mr. Speaker, you will see in the bill that the Minister of the Environment, in addition to his existing responsibilities, will be empowered to co-ordinate "the policies and programs of the Government of Canada respecting the preservation and enhancement of the quality of the natural environment." More specifically, we are setting forth in legislation, rather than cabinet decision, that an early assessment must be made of all new federal projects, programs and activities for their potential adverse effects on the quality of the environment. The federal environmental assessment review office, whose executive chairman reports directly to me, now has panels set up on some 20 federal projects to scrutinize their environmental acceptability. With the passage of this legislation, I propose to re-examine the environmental assessment and review process to ensure that it continues to play an ever more effective role in screening federal activities.

Earlier in this debate the hon. member for Hamilton West (Mr. Alexander) said, in effect, that proposed drilling in Arctic waters would not be subject to environmental assessment under this bill.

Mr. Alexander: Are you sure that was what I said?

Mr. Marchand: I listened to what the hon. gentleman said. I can assure the House that this is not the case. Federal projects are considered to be those which are initiated by federal departments and agencies, those for which federal funds are solicited, and those involving federal lands or waters. Since the Department of Indian Affairs and Northern Development would bear responsibility for seabed drilling in Arctic waters, any such proposals are subject to the review process.

It is evident that actions and regulatory activities undertaken by other departments and agencies can have a profound effect, for better or for worse, on the environment. Emissions from motor vehicles, for example, which account for half our urban air pollution, are controlled by means of the Motor Vehicle Safety Act, administered by the Department of Transport. The Canada Shipping Act governs discharges from vessels. I do not propose to take that over; perhaps that is what the hon. member for Esquimalt-Saanich was suggesting. The Atomic Energy Control Board regulates the nuclear industry.

A section of the proposed act empowers the Minister of the Environment, on the basis of his knowledge of the physical environment, to establish, with the approval of the governor in council, environmental guidelines for use by other departments, boards and agencies of the government. This constitutes a second important lever for ensuring that the actions of the federal government itself, and of those whose activities it regulates, are taken in an environmentally responsible way.

Not all our forward-looking activity, by any means, is dependent on the new bill, but because it is relevant to a new department looking ahead to the eighties I would like to tell the House that we are re-examining in a very fundamental way our whole pollution control strategy. This examination involves a rethinking of the federal role and responsibility in environmental protection, taking into account provincial capabilities, the strong desire expressed by all jurisdictions to avoid unnecessary and costly duplication of work at the federal and provincial levels, and the requirement to look to the socioeconomic impact of all pollution control proposals. My officials will begin to discuss the new strategy with their provincial counterparts in the next few months. Depending on the outcome of those discussions, which I am confident will be welcomed by the provinces, I expect to propose to my cabinet colleagues a number of significant amendments to the legislation on which our environmental protection activity depends.

● (2110)

Let me say a word about federal-provincial relations in the environmental field. While the federal power is clear in respect of certain of our environmental and resource activities, such as the management of fisheries, and uncontested in others on the ground of common sense, such as the provision of weather

services, a large part of the work in which we are engaged falls into that difficult area of shared or even unclear jurisdiction.

The government is determined to work out with the provinces the appropriate goals for the two levels of government in the environmental field. This re-examination should be unfettered by past positions and differences or by narrow interpretations of jurisdictional rights. We are prepared to examine what is the best division of responsibilities for today's needs, based on the criteria of common sense and economy. The basic question should be who can best do the job needed to ensure the health of the Canadian environment for the present and future enjoyment of all Canadians, and if the answer is that both the federal and provincial governments must do a particular job in shared fashion, as is often the case, we shall work out an equitable sharing of that work. I am confident that my provincial counterparts welcome this approach and will make it work.

Were time to permit, I would like to draw the attention of hon. members to many other activities of my department. I think particularly of the work of the Canadian Forestry Service, on which I had occasion to comment at some length last November 24 during the budget debate. The Canadian Forestry Service is one of the oldest and most renowned components of the Canadian government. Because of the importance I attach to the federal role in forestry I have set out new directions for the service so that it can make a direct and essential contribution to the economic development and sound environmental management of the forest resource. It is therefore very much a part of the new approach which the new department of the environment will be taking as it faces the challenges of the decade ahead.

The bill before us reaffirms the government's commitment to the preservation and enhancement of environmental quality in its broadest sense. It gives the minister of the environment a clear mandate to provide leadership and direction on environmental matters within the federal structure. I am happy to accept this challenge, and I hope this bill will receive speedy passage.

Early in his remarks the hon. member for Esquimalt-Saanich talked about forestry disasters. I would like him to spell out those disasters. He talked about research in forestry. I am very committed to research in forestry. If the hon. member were to examine the record he would find that not one of the research establishments across the country has been touched. We have six regional laboratories across the country. There is one very near Victoria, as the hon. member knows. There is one in Edmonton and another in Sault Ste Marie. There is one in Quebec city, one in Fredericton and another in St. John's, Research has not been touched.

Mr. Paproski: What about Petawawa?

Mr. Marchand: The hon. member for Edmonton Centre (Mr. Paproski) asks about Petawawa. Petawawa was enhanced. We increased the number of people at Petawawa. We accepted some of the suggestions of the Conservative party with regard to cutting government spending. We cut government spending by $2.5 billion. My department had to cut $40 million from a budget of $275 million. We listened to the suggestions of the Conservative party, and when we made cuts in my department we cut across the board. There was no area in which we could not cut, but one area which was sacred was forestry research, about which the hon. member talked. We did not cut one research lab across the country. In the case of Petawawa, we were going to close it at the beginning, but after representations from a number of people in the valley and others from across the country, we decided to keep Petawawa and to enlarge it. We are moving the Forestry Management Research Institute to Petawawa. We are moving the Forest Fire Research Institute to Petawawa.

Petawawa will become one of the foremost forest research establishments in the country. However, because of the cuts we have made, we have heard some comments from the Conservative party. They would cut 60,000 civil servants, over the next three years.

An hon. Member: No.

Mr. Marchand: I can check the record, and it is very clear.

An hon. Member: "Attrition" is the word.

Mr. Marchand: The record shows very clearly that the Conservative party would cut 60,000 civil servants.

Mr. Munro (Esquimalt-Saanich): No.

Mr. Marchand: I have read that brown envelopes are being sent by some civil servants to some hon. members. I would like to say to those civil servants who are passing those brown envelopes around that they had better think again. If they think they are going to get a deal from the party opposite should, God forbid, it form a government, they had better think again because 60,000 is much more than the few hundred who would perhaps eventually be let go by us, because we have said that we are going to have a very human policy in terms of the people whose positions will be declared surplus.

We will take a human position because I think this country has a very good and competent civil service. We have a good group of foresters and environmentalists, and a very good group in the atmospheric environment service. My department and this country are blessed with a competent civil service, and I was very concerned when I was informed that there had to be cuts in my department. I was concerned not only about programs but also about individuals, many of whom have given many years of their lives in dedicated service to the government. I wanted to make sure that those people in my department were treated fairly and had every opportunity to find other jobs, either within my department or elsewhere within the government. I think that is a very humane and just policy. It recognizes the great talents which exist in the civil service of our country.

The hon. member also talked about oil spills and about how we might handle oil spill disasters. He talked about NEELS, the information system we have. I think we have a very good

system. We know where every piece of equipment in this country is. We know where every piece of equipment in the United States is. There is no country in the world which really has the wherewithal to handle a major disaster.

The hon. member talked about the *Amoco Cadiz* and the disaster involving that 153,000 ton tanker. There is no country in the world which singularly has the capability to handle that kind of oil spill. We do not—I say that very clearly—but in conjunction with the United States and with other agencies I think we could do pretty well. With the system we have in place we know where the equipment is and how we can get that equipment together.

• (2120)

With the talent and equipment that we have in Canada we are in as good a position as any country in the world to handle major disasters, things with which I have been concerned since I have taken the job of Minister of State for the Environment. My job is to prevent these disasters from occurring. I know the hon. member for Prince George-Peace River (Mr. Oberle) will be speaking a little later in the debate, but I understand—he can correct me if I am wrong—that he is in favour of the Kitimat oil pipeline as proposed. I understand he is on record as having said he is in favour of the Kitimat pipeline project, but if I am wrong, let him tell me so. As Minister of State for the Environment I have stated that I am not in favour of the Kitimat oil pipeline.

Some hon. Members: Hear, hear!

Mr. Marchand: I went to cabinet and got a very strong decision from cabinet in support of the presentation I made in which I stated that, on environmental grounds, we should not permit the Kitimat oil pipeline to be built. That decision still stands. I think that on environmental grounds it would be courting absolute disaster for us to suggest we can go ahead with the Kitimat oil pipeline.

The decision that I made was later vindicated by the National Energy Board when they held their hearings on whether an oil pipeline would serve Canadian needs. They said that it would not. That made me very happy because, in my view, for as long ahead as we can see, the Kitimat oil pipeline will not be built. The hon. member for Prince George-Peace River is in favour, or if he has some connection to that business which favours the building of that pipeline, that is for him to say, but if he said anything different, I would be happy to hear it, because I would be happy to have his support for the decision that I and my colleagues have made against the building of the Kitimat pipeline.

The hon. member for Esquimalt-Saanich spoke also about drilling in the south Davis Strait and Lancaster Sound, and how we handled the hearings. I suppose that he will probably be weak-kneed with respect to the letters and representations that were made to him. I receive many representations from all sides as Minister of State for the Environment. I have industry telling me, "Look at those crazy environmentalists, get them out of the way, they are standing in the way of development." On the other hand I get environmentalists telling me, "Look, you are in the hands of industry and you are doing everything industry tells you." That is a lot of bull.

An hon. Member: Careful.

Mr. Marchand: I told you that before. It is a parliamentary word, as was ruled by Mr. Speaker. Your question of privilege did not stand up.

Some hon. Members: Hear, hear!

Mr. Marchand: As Minister of State for the Environment I have said earlier that the environmental aspect review process should be my direct responsibility. We held ten days of hearings at Lancaster Sound. I think that is pretty fair. We went literally to every community. Members of the panel lived in some of the communities before the hearings were held so as to acquaint themselves with the feelings of the community and with their problems, and so that in their assessment later in their report to me they would be able to give me a fair and honest opinion of what were the concerns in those communities. That is of major importance to me. Incidentally, I will be receiving the report within the next couple of weeks and I will be reporting on it to my colleague, the Minister of Indian Affairs and Northern Development (Mr. Faulkner). Believe me, I will go over it with utmost care, and I will make my recommendations to the minister with utmost concern for the environment and for those people who are living in those communities and who might be affected by major oil spills.

The panel said it would be okay to go ahead with the work at south Davis Strait if certain conditions were met. That work can go ahead because, if there were to be a major oil spill, the flow of the water there could cope with it. We have set down very strict conditions under which drilling can go ahead in the south Davis Strait. They must first submit their proposal to the regulating agency, which is the Department of Indian Affairs and Northern Development, a plan of the clean-up and how they propose to drill, in other words, an environmental plan, before they are allowed the right to drill.

An hon. Member: What about NEELS?

Mr. Marchand: What are you talking about? I told you about that before. NEELS is all right.

Mr. Alexander: Why are you so angry?

Mr. Marchand: I am not angry. I am just getting going here, Mr. Speaker.

I have covered the waterfront on environmental issues. This is a department of which I enjoy being minister. I think it is a great department. In this new legislation we have a new mandate and powers that will be given to us to reach into areas that we have not reached before in a formal way. I am looking forward to the administration of this new department and to having the new powers. I am sure that my colleague, the Minister of Fisheries and the Environment, is also looking forward to the new definition of powers he will have under the

new act on behalf of a vigorous fisheries department which he has put together. I hope this bill will receive speedy passage and that it will go to committee shortly where we will be able to answer any questions that any member of parliament might have.

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, Bill C-35 may be called in short the Government Organization Act, 1978. As we all know, no doubt, from listening to a good deal of the debate today, it has ten parts. I wish to make some remarks on the first three parts which deal with the new department of fisheries and oceans. I am really glad that finally the minister got around to doing this, something for which we have been asking for a long time and something which, as I recall, the government had promised in 1974, namely, the establishment of a separate department of fisheries.

The second part of the bill deals with the establishment of the fisheries and oceans research advisory council. I should like to say, as did my colleague, the hon. member for Humber-St. George's-St. Barbe (Mr. Faour), that there is nothing wrong with changing the title to read the establishment of the fisheries and oceans research advisory council. It is a good thing. It is a realignment of what has been done in the past in this field. Perhaps I am naive in this because fishermen are a small minority of the total population in my riding, nevertheless they constitute one-industry communities, that is, fishing communities. Fine and decent people have to live off this hazardous occupation. Naturally such a body should be primarily dominated by scientific people.

● (2130)

Obviously the minister has agreed to become involved in more consultation with the fishermen to some degree. But I find it difficult to understand that the fishermen's unions or co-operatives on either coast are not represented in the 24 people who will comprise this advisory council. Also it is difficult to understand that clause 2 of the bill contains no room for fishermen from these organizations, or independent fishermen as such.

The two coasts of Canada are as different as night and day. The only common elements are the word "fishery" and the species or genus of fish. The minister should give more consideration to this fact and consult again with the fishermen. There must be some way of establishing a revolving membership as far as west coast and east coast fishermen are concerned, so that they can see the process scientists must go through when making terribly important decisions.

One does not have to know very much about any industry to realize that a basic principle of management is administration. A basic principle in the management of the fishing industry, of course, is scientific administration. The input of biologists and others is terribly important in order for us to realize the potential of certain areas, and to ensure the conservation practices of the department are carried out based upon the best available scientific evidence. It is not sufficient to have intermediaries or to send out pamphlets to fishermen and their organizations. They should be part and parcel of the research advisory council, even though they are a minority and do not have any scientific expertise. Certainly they are the best people to become involved, rather than just the officials of the department.

The Minister of State for the Environment (Mr. Marchand) referred heatedly to the division which is taking place. He feels that he will have a new mandate. Perhaps I am an amateur, but I recognize how terribly important this division is. The minister alluded to the fact that there must be close co-operation between him and the proposed minister of fisheries and oceans. As I understand it, from a pollution point of view, inland waters and fisheries will remain under the control of the Minister of State for the Environment. The minister should use his power directly, in so far as he can, and indirectly on the international joint commission between Canada and the United States, in order to clean up the inland waters of Canada as quickly as possible, particularly the Great Lakes.

We must remember how the pollution of the Great Lakes affects fishermen on the east coast. Recently these fishermen have told me that pollution from the Great Lakes is flowing into the Northumberland Strait. This is a very serious handicap to the quantity and quality of fish they are able to catch. I do not know if this is true respecting the Gulf of St. Lawrence, but I imagine that its waters would be affected by pollution in the St. Lawrence. Certainly our inland waters should be watched very closely. Not only should these waters be monitored, but they should receive the attention of the Minister of State for the Environment so that the fisheries industry can develop to its fullest potential.

As far as the proposed department of fisheries and oceans is concerned, I mention in passing that my party was in favour of its creation. I do not know if the Tories were in favour of it in 1974, but I presume they were. It has been a little over two years since the 200-mile limit was set up. The establishment of this department is better late than never. The minister is being given a mandate to zero in more radically on the existent potential of the east and west coasts.

I have had difficulty with the minister concerning some matters, and I still have qualms about vessel insurance for fishermen and so on. He has assured me that in the final analysis I will be satisfied. I hope he is correct. The fishermen in my area are concerned about the change in the vessel insurance scheme, that perhaps its effectiveness will be somewhat diminished by putting it into private hands. I realize the minister has other options available to him. I hope he deals with this subject when he participates in this debate.

There are other areas which will be disputed concerning the management of fish stock and the licensing procedure. These matters were referred to by the hon. member for South Shore (Mr. Crouse). The fishermen in Cape Breton realize that perhaps one cause of the depletion of the lobster fishery in Richmond is the existence of the causeway on the Canso Strait. Those who are more active on a regular lifetime basis in the lobster industry are being approached in an attempt to protect the depletion of their resource. The government is

tightening up or freezing licences in order to restrict the occasional or casual fisherman. Many fishermen feel the department has a moral obligation to buy back these licences at a fair price, since they were purchased in the past by independent fishermen, with the consent of the department. One must remember the money these independent fishermen invested.

I realize the questions I have raised this evening are not easy ones. I sympathize with those people who have become involved in the fishing industry on a part-time basis along with holding down other jobs. Now they find themselves faced with a change in circumstance. I am not saying that the policy is a bad one. Perhaps it will be a good one in the long run and will protect the lobster industry. But I feel everything possible should be done to buy back these licences and to make an arrangement to reimburse to some degree the fishermen who have invested in equipment and licences.

● (2140)

I am not saying that the minister and the department have not attempted to do somehing. I am just saying I have the feeling, from talking to the fishermen, that they have not gone far enough in this regard. I realize the minister has to operate within a budget, like the minister of every other department, but it is only in recent years that his budget has been growing fast enough, especially with the establishment of the 200-mile limit and with everyone beginning to see the great potential.

Having made that kind of constructive criticism, I want to pay the minister a compliment. It is not usual for members of the opposition to pay compliments to the people in power or to those in the official opposition when they do good things. By and large I think we are pretty fiery about some things, particularly about the way the Atlantic region has been treated by successive governments of this country. I have in mind particularly my own area, Cape Breton.

Let me say to the minister that, generally, I do not hesitate to say that I think he has begun to take on the large corporations in the Atlantic region, although I disagree with him in certain aspects.

Some of my fishermen at times get really bitchy about the whole licensing procedure. I hope that word is parliamentary, and I assume it is as it is in the dictionary. They also get upset about other policies, and I will be talking about the snow-crab licensing policy in a little while. Having talked to the offshore fisherman it is my opinion that this minister has attempted to take on the large corporations. Even a minister of fisheries in Nova Scotia, a very likeable and personable man, wrote a pretty strong and severe letter to me intimating that I was too much on the side of the federal government in this issue. This is a social and philosophical issue and I compliment the minister for his efforts, even though I disagree with him as to detail of policy.

Some hon. Members: Hear, hear!

Mr. Hogan: As a member of a socialist party who believes, like every other member of any socialist party in the western world, that we must have a strong private sector, I realize we are living in a mechanized economy in which large corporations concentrate control in an effort to maximize profits. Let us take for example National Sea Products and the Nickerson Company. Their operations are carried on by very fine human beings, but the policies they advocate in the long run do not benefit 80 per cent of the fisherman in the inshore fisheries in the Atlantic region. I think the minister has grasped this situation. The policies they advocate benefit the large corporation. What is involved is not just private enterprise but, in addition, government controls. These fellows want to grow big and fast, and I refer to National Sea Products and Nickerson. They want a heck of a lot, and I almost used an unclerical word. They want government money before we are even sure that the fish stocks are being conserved and built up. Probably this is the nature of human beings. Certainly it seems to be the nature of private enterprise, which is concerned primarily with maximum profits.

These people do not take into consideration the social consequences which are so crucial in the Atlantic region, as pointed out by the hon. member for Humber-St George's-St. Barbe. There are about 2,000 part-time, full-time and occasional fishermen in Cape Breton. Most of them are part-time fisherman, just as the hon. member from Newfoundland suggested in respect of Newfoundlanders this afternoon.

The federal government has a primary responsibility in fisheries under the BNA Act, but there is room for diversity of views and for greater consultation with the provinces. I suggest there is perhaps room for a greater provincial share of responsibility in some aspects of fisheries. Nevertheless, it seems to me that in the long run, if not in the short run, the best economic policy would be for the federal government to pursue basic principles of management of fisheries in the Atlantic region.

The basic social principle is one of protecting inshore fisheries. This is particularly true when you remember that it is the inshore fisheries in the maritime provinces that support 80 per cent of our fisheries, helping to keep these communities together. I am not suggesting all these communities can be kept together.

There is a very strong economic argument or point of view that we should centralize in order to facilitate the large factory ships. To some extent they are taking species not ordinarily caught by our Canadian fleet. You can get too much of what appears to be a good thing from the point of view of the large corporations in that they are increasing production and making the industry more capital intensive, yet in the long run this creates all kinds of severe economic and social problems.

I have been observing the situation and have written to the Combines Investigation Branch to determine whether the Nickerson takeover of National Sea Products was within the law. I know the minister could not do much about this, but it is disheartening to know how long it takes before getting an answer from that branch. They keep telling me this is of high priority, and something about which they are concerned. They use a lot of technical language which does not give me any idea how the matter is progressing. It seems to me that the dominant policy and concern has to be in respect of inshore

fisheries, without suggesting that the offshore fisheries are not important to the Atlantic region and to the nation. There is a question of emphasis and a question of philosophy and social principle involved. In the long run I would say the matter of economics is important. I commend the minister for keeping these fellows at bay. I have in mind those "too big, too fast" people, as I am wont to call them.

Recently we held a seminar of fishermen on Cape Breton Island. About 120 fishermen attended. As I said earlier, we have about 2,000 fishermen on Cape Breton Island, in about 110 communities. I thought I should mention that during this debate because the fishing industry has been very vital in the past and I expect will continue to play a vital role in the future, even though coal is the most important resource in Cape Breton, with the steel industry also being a vital entity.

● (2150)

I have pleaded the case of the inshore fisheries rather successfully with Devco, and they are beginning to see the great potential for fishing in that area. Last year, for example, they had landing figures of 56,000 metric tons which had a total value of $18 million. That may not seem like a lot to some, but when one looks at the figures for the province of Quebec, which had a total landed value last year of $29 million, it is quite significant for a small island like Cape Breton. It reinforces the idea that there might be potential development which could be tapped in a very serious way, with the co-operation of the federal and provincial governments, Devco and, of course, the fishermen.

One of the comments at our seminar made by the maritime director for the federal fisheries department, Mr. Doug Johnston, was to tell the fishermen that they will not get participation in the industry unless they come together. It has become fashionable, for many reasons, to be anti-union, mostly because people are leaning more to the right and because some unions have abused their powers.

There were two priests in Nova Scotia some 50 years ago who had a philosophy, which I inherited, because I was brought up in the tradition of the St. Francis Xavier Antigonish movement, respecting co-operatives. They were considered to be communists, just as we in the New Democratic Party are considered by the extreme right-wingers as being proponents of the communist line. These men went about organizing the fishermen and, as a result, many co-operatives were formed.

I personally lean strongly toward that philosophy, but after 50 years there are still many fishermen who are not organized into co-operatives and who do not want to be. I think that this is primarily the jurisdiction of the provincial government, the whole question of unions and the civil aspects of the BNA Act, and the minister should use every occasion in this regard. I know that he has said this publicly, and that he does not want to come out for unions because a province such as Nova Scotia may set up such an association and pour $40,000 or $50,000 into it. To my mind this is the old situation of company unionism. It is very difficult to unionize independent fishermen, but if they are not going to form co-operatives, I believe this is their best alternative. It will give them a united voice in dealing with the ministry of fisheries at the federal level and having some control over the future management and development of the fishing industry.

Having made that point, I am not saying there should be compulsory unionism, but that there is something wrong with the philosophy of the provincial governments of Nova Scotia, Prince Edward Island and New Brunswick. It does not mean that they have to join a union, but at least give them the right. After all, this is a democratic society, and if the fishermen decide to follow this course of action, then surely the provincial governments have the moral responsibility at least to say, "Look, we can no longer bar these people from the right to organize." Perhaps I am overdoing the point, but I believe it is important because there is no other way whereby we will get development in the fishing industry in the Atlantic region, both inshore and offshore, unless there is some kind of organization.

The snowcrab landing industry on the gulf side of Cape Breton has the potential of becoming the third fishery delicacy category in Nova Scotia after the scallop industry, which I believe has a value of approximately $58 million, and the lobster industry which has a value of $26 million. In Cape Breton last year there were 66 so-called exploratory licences given out for the snowcrab fishery. The figure for landing which was given to me at the seminar was $1.7 million.

This year there are 200 fishermen looking for a licence. We cannot have everybody rushing in, and there must be some form of restricted entry. It seems to me that the most equitable way of giving out these licences would be either through individual quotas or changing seasons. There could even be a modification of the size limit. There is here a potential source of discord between the fishermen and the federal Department of Fisheries if this is not handled well.

In closing, Mr. Speaker, I would like to say that I think all elements of the industry should co-operate. It is not a contradiction to say that I want unionization or that I do not want the big corporations to take over. One cannot talk out of both sides of his mouth and say that he wants monopoly or semi-monopoly conditions, and at the same time argue for free enterprise, but that is what some are doing when they say that they want these large corporations to concentrate to such a degree that they will be able to control the pricing, marketing, and production of the fisheries in the Atlantic regions. Mr. Speaker, I call it ten o'clock.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

Adjournment Debate

CANADIAN BROADCASTING CORPORATION—SALARY PAID TO NEWSREADER KNOWLTON NASH

Mr. Marke Raines (Burnaby-Seymour): Mr. Speaker, on December 8, 1978, during question period in the House I put a question to the Secretary of State (Mr. Roberts) on the reported salary of Knowlton Nash, the reader of the 11 p.m. National News on the CBC. First of all I asked how much the salary paid to Mr. Nash was, and I did not get an answer. I hope to get an answer tonight, Mr. Speaker.

I asked how the salary, rumoured to be $85,000 to $90,000 per year, could be justified. Even if we were not in a time of austerity—even if we were not trying to fight inflation at this time when workers everywhere are being asked to hold back on salary demands—such a salary for reading a 15 or 20-minute newscast five times a week, would be incredible. The Prime Minister of Canada (Mr. Trudeau) does not make $85,000 or $90,000 per year. That is more than just about anybody in Canada makes. That the management, the hierarchy of the CBC, should be so far removed from reality, is cause for great concern.

This is only the latest incident in the long history of the CBC's overspending and mismanagement that has strained the patience of the Canadian public, and of members of this parliament. I am calling for a complete public inquiry, financial and otherwise, into the operations of the Canadian Broadcasting Corporation. I am very curious about what they do with the half billion dollars they are gifted with each year by the Canadian taxpayer.

The CBC have made much of the fact that they are going to get $71 million less than they asked for, as a result of the latest budgetary cutbacks. The CBC asked for $593 million and are only going to get $522 million. Why, when they get so much of the taxpayers' money, are they virtually indistinguishable from the other Canadian network, that is, CTV?

I believe that when corporations, or people, get money from the public purse they should be accountable for that money. To me, what appears to be government policy of handing out taxpayers' money to any person or corporation, without accountability, is preposterous. It leads to bad management, inefficient operation, and a waste of money that is intolerable.

I think it would be worthwhile, Mr. Speaker, to read into the record portions of the Broadcasting Act of 1968, which was agreed to by all parties in the House of Commons.

Section 3(b) reads as follows:

the Canadian broadcasting system should be effectively owned and controlled by Canadians so as to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada;

That broadcasting policy continues, as set out in section 3(d) as follows:

the programming provided by the Canadian broadcasting system should be varied and comprehensive and should provide reasonable, balanced opportunity for the expression of differing views on matters of public concern, and the programming provided by each broadcaster should be of high standard, using predominantly Canadian creative and other resources;

The act goes on to say in section 3(g):

the national broadcasting service should

[Mr. Hogan.]

(i) be a balanced service of information, enlightenment and entertainment for people of different ages, interests and tastes covering the whole range of programming in fair proportion,

I am sure that every Canadian would agree with the aims of the act, Mr. Speaker, but I also know that the CBC has been found wanting. As the member of parliament for the constituency of Burnaby-Seymour, I want the very best in broadcasting, Canadian and foreign. I believe that Canadians want their own national broadcasting service—as the CBC was set up to be—but Canadians are no longer willing to support a nationwide system of self-styled executives in broadloomed offices, safe in their lifetime jobs.

What we need in Canada is a quantum leap in communications. Quebec had its "quiet revolution." We need a quiet revolution in Canadian broadcasting. I am not talking about some timorous half-hour cooking show or some boring situation series. I mean a renaissance of information, of participation, of bringing out the best of the many cultures that make up Canada—a climate for interest in things other than the purely commercial.

I have had much communication, as we all have, with Canadians on this subject. They want programs that the entire family can watch at any hour of the day or night, without obscenity, and without the kind of senseless violence that has come to permeate the television screen.

So important is broadcasting, I believe, that we could change for the better the future of Canada, through better communication. I do not exaggerate when I say the future of Canada may depend on this.

Besides an inquiry and a complete reorganization of the CBC, I believe there should be a major inquiry into the entire broadcasting system in Canada. How far have broadcasting stations been allowed to stray from the promises they made when they were granted their licences? Why has broadcasting, which could be such a powerful medium for service, for understanding, for entertainment, deteriorated to the point where a broadcasting licence is now regarded simply as a licence to make money, in many cases?

The technology of the satellite age will have a widening impact in the next ten years, in television and in education. Broadcasting in Canada needs a whole new long look. In spite of the Canadian content regulations, broadcasters have not succeeded in giving talented Canadians an outlet. The attitude seems to be to throw on any old thing that is remotely Canadian, just to fulfill the requirement.

● (2205)

I must say in a number of instances the quality and integrity of the budgets of Crown corporations are insufficient to provide to the government and parliament information by which Crown corporations may be controlled and their performance assessed. As a member of the broadcasting committee since 1974, I can say that I and other members have received insufficient information on the budget of the CBC.

May I ask again tonight the question and now be told the exact salary of Knowlton Nash? I trust we will also learn of

the fringe benefits as well. Will the Department of the Secretary of State now take steps to ensure that the CBC uses its money more judiciously? Will that department use moral suasion and ensure that funds granted to the CBC, to wit, more than $500 million a year, will be used for furthering the broadcasting policy agreed to by all members of the House in 1967 and 1968?

Mr. Robert Daudlin (Parliamentary Secretary to Secretary of State): As hon. members know, Mr. Speaker, parliament established the mandate of the CBC and annually votes the amount of money within which the corporation must operate in seeking to fulfil this mandate. It is the responsibility of the corporation and its board of directors to manage its operations in such a way as to maximize the carrying out of this parliamentary mandate. In its day to day operations the CBC must compete in the industry in which it operates, and therefore must pay competitive rates in order to get the people it requires.

In the specific case of those matters relating to the appointment of Knowlton Nash to his new position, they are the subject of arbitration arising out of a grievance filed by the Canadian Union of Public Employees, and it would be improper for the CBC to comment on any aspect of Mr. Nash's appointment. This position is reinforced by the fact that the parties agreed that the arbitration proceedings would be held in camera, and the CBC has not received a copy of the arbitration report to this date.

SOCIAL INSURANCE—USE OF SIN

Mr. Jack Hare (St. Boniface): Mr. Speaker, I rise in the hope of obtaining a more satisfactory answer to a question I posed to the Minister of National Revenue (Mr. Abbott) on December 11 regarding the use of social insurance numbers as identification devices in the processing of Canada Savings Bonds.

The question was based on a letter written by the previous minister of national revenue to a constituent in St. Boniface in which he stated that persons who did not wish to disclose their SIN when purchasing bonds could "invent a number themselves, or a number would be assigned to them by the bank." The then minister of national revenue cited a press report of an interview with a Bank of Canada information officer named Ralph Hager, now retired, as the source of this policy statement. I am tabling this press report along with the letter in which the former minister makes reference to it. The Minister of Finance (Mr. Chrétien) has already acknowledged the confusion of the above suggestion regarding SIN.

I believe this haphazard from bottom to top type of decision making, particularly when it is concerned with an area as sensitive as the use and possible misuse of social insurance numbers, to be scandalous in the extreme. It reflects this government's total lack of interest, and ambivalence toward the question of social insurance numbers, and the government's lack of concern for the privacy of our citizens.

The government and its agencies have claimed in defence of the use of the SIN that it has not been requested for any reason other than to promote administrative efficiency. This is a dangerous misunderstanding of the situation, in my view, because it begs the question of just how far the use of SIN as identification devices can be justified by the need for bureaucratic efficiency.

• (2210)

The Bank of Canada needs an identification device to identify holders of Canada Savings Bonds. Many other government departments and agencies, as well as countless private organizations, are making use of numbers or identification devices in order to carry out their responsibilities. Efficiency demands that some form of numerical device be used in many areas, but while recognizing the importance of efficiency we must not forget the basic right of every citizen to personal privacy. I am not at all convinced that the social insurance number is the only method of identification available, but I am convinced that it must not become so.

My alarm about the future use of social insurance numbers is well founded. Already we have seen the use of these numbers extend far beyond the social security application specified in the 1964 legislation. Five government departments are using the SIN as the prime identifier or registration number in their information banks. The Public Service Commission uses the social insurance number for all its files. Confidential information on every employee is theoretically at the fingertips of everyone knowing the relevant social insurance number. Moreover, this knowledge is progressively easier to obtain, given the widespread use of the number.

Use of the SIN by numerous government agencies and Crown corporations has also been documented. The Canadian Transport Commission uses it to identify domestic charter passengers; the Canadian Broadcasting Corporation uses these numbers for employee identification; they are required for access to all files of the Canadian Penitentiary Service and the National Parole Service. Provincial governments are also using the social insurance number with apparent impunity. School children are being registered under the SIN in Ontario and Saskatchewan—even newborn babies in Prince Edward Island. If this were not enough, the private use of social insurance numbers by corporations and other organizations has been expanding at an alarming rate.

All of this is being done in the name of efficiency, and in a very arbitrary fashion, I suspect. I suggest that the SIN is not the only identification device available to the governments and private organizations presently using it. In my view it is irresponsible to resort to using the number when no other method of identification has been tried.

The SIN was not intended to become a multi-purpose ID number, and it should not become one. Widespread use of it threatens the individual privacy of Canadians. Yet, judging from the evidence I have submitted, as well as that put forward by several of my hon. friends on this side, the question of personal privacy in the face of the pervasive use of social

insurance numbers has not even been considered by this government. Efficiency seems to be its only concern. This attitude is alarming because it can be applied to any of the various departments. We have reason to speculate that whenever objections to the disclosure of one's social insurance number are raised, the government will dredge up the efficiency argument. Individual privacy will thus be reduced, chip by chip, in favour of efficiency, so-called.

Recently, on November 2 of last year, the Minister of Employment and Immigration (Mr. Cullen) said the government was drawing up guidelines to prevent misuse of SIN as universal identification cards. However, he stated that there is no deadline for doing this, and he gave no undertaking that the government would stop the use of the numbers outside the social service and taxation areas for which they were originally designed.

● (2215)

Most federal cabinet ministers foresee greater use of social insurance numbers. The Minister of Health and Welfare (Miss Bégin) has stated on several occasions that there will be more and more use of the SIN. The President of the Treasury Board (Mr. Buchanan) has encouraged the use of the SIN. Going back to October 25, 1972, the Toronto *Globe and Mail* reported that our Prime Minister (Mr. Trudeau) indicated his personal belief that at some point in the future, compulsory—I repeat, compulsory—identity cards will be required of all Canadians.

Thus, the policy of the present government is more numerical control over the private citizen. This is absolutely contrary to the policy of a Progressive Conservative government—

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

[*Translation*]

Mr. Yves Demers (Parliamentary Secretary to Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, the hon. member for St. Boniface (Mr. Hare) does not seem to understand certain aspects of this matter. I shall try to explain them to him.

First of all, he should realize that the sales of Canada Savings Bonds does not come under the jurisdiction of the Department of Revenue. These savings bonds are sold through the Bank of Canada. The bank has records containing the names of millions of purchasers of these bonds and is now in the process of computerizing these records. Since it is necessary to use an identification number to distinguish among the various bondholders and since this number will be needed for the computerized records, the officials of my department have been informed that the bank will use the social insurance number of the purchaser if the purchaser provides it. Otherwise, it will have to program the computer so that it will produce a unique number which will be used for this purpose.

[Mr. Hare.]

The letter mentioned by the hon. member perhaps gave the impression that the purchaser would be able to provide the identification number of his choice. Of course, this procedure cannot be used since it would be quite possible for two or more purchasers to choose the same number, which would cause bookkeeping problems.

Recently, when the hon. member asked a question of the Acting Prime Minister in the House, he seemed to be confusing the cashing of the bonds with the charging of interest on these bonds. This may explain how he could confuse the matter of choosing a unique identification number for bookkeeping purposes by the Bank of Canada and the requirement to provide a valid social insurance number when cashing in the coupons.

The interest on Canada Savings Bonds is taxable under the Income Tax Act. This law also provides that social insurance numbers should be used to identify income tax forms and records. Moreover, it stipulates that when the interest coupons on the bonds are cashed in, a social insurance number must be recorded in the report on the interest paid by the cashing agent, generally a chartered bank in that case. This bank must prepare and send to the department some particular forms called T-3 or TP-3, depending on which level of government is involved, either federal or provincial.

If the taxpayer does not provide his social insurance number, the cashing agent must, under the law, withhold 25 per cent of the interest due. This sum is credited to the taxpayer's account, and if it is not used to pay an outstanding balance in taxes, he will get a refund when he fills his income tax return form for the current year.

I admit that all this may be somewhat technical and difficult to understand, but I can assure the hon. member that the whole operation does not violate in any way the citizens' rights.

● (2220)

[*English*]

EXTERNAL AFFAIRS—FRANCOPHONE SUMMIT MEETING—DISCUSSIONS WITH FRANCE

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question to the Deputy Prime Minister (Mr. MacEachen) last December 18 arose as a result of reports that France refuses to attend any meeting of Francophone nations that excludes Quebec as a participating state. Apparently France, with its customary realism, does not accept or recognize Canada as a Francophone state.

All I can say is that it is too bad that our government and our major political leaders are not as realistic. We have had more than a decade of effort on the part of the Liberal government to turn Canada into a Francophone country. The results, to my mind, are frightening, in terms of national unity at least.

Apart from the Official Languages Act, we have seen the labelling legislation and the broadcasting policy designed to spread two languages across the land, whether or not they are wanted or needed. I would suggest the metric system is also being forced on this country at great cost and dislocation to many parts of the economy, for the same reason. We have even heard of French being used in answering consular telephones in Australia.

Of course the Liberal party is not the only party striving to give Canada a French accent. We have the efforts of the Progressive Conservative party to change our ways in this very chamber to correspond to the ways of France. I refer, of course, to the practice of clapping which was introduced by the Progressive Conservatives in this chamber last fall. It is interesting to note where this practice originated, and in this connection I should like to refer to the Montreal *Gazette* issue of Wednesday, December 15, 1976, in which appeared the story about the new national assembly which was elected there on November 15 of that year.

Apparently the new government in the province of Quebec introduced the idea that members should clap in the chamber of the national assembly, instead of thumping their desks as had been the custom previously. The article states:

> The applause itself marked another change in style introduced by the Parti Québécois, complementing a slow conversion from British to French parliamentary tradition.
>
> Government MNAs clapped their hands to exhibit approval instead of thumping their desk tops, a practice adopted from France's national assembly whose name was appropriated by the Quebec legislature under the Union Nationale government of Daniel Johnson.

My concern is that the efforts of the Government of Canada to turn our nation into a country which would entitle it to attend a Francophone summit or Commonwealth conference would be akin to the old saw about the great surgeon who was asked about the results of one of his heroic procedures, to which he replied that of course the operation was a great success but unfortunately the patient died.

I therefore call upon the government to cease its efforts to change the ways of our country by trying to force feed its misconceived ideas about language and culture on an unwilling population.

[*Translation*]

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the question of a Francophone summit meeting has indeed been shortly discussed during the conversations which the Prime Minister (Mr. Trudeau) had in Paris with the President of the French Republic on December 8. As a matter of fact, this is an idea which was put forward over ten years ago by various African heads of states, including President Senghor of Senegal, an idea in which Canada and our Prime Minister have shown a great deal of interest. We feel that periodical meetings of heads of states or of leaders of fully or partly Francophone countries could foster better understanding among nations and make a real contribution in the search for solutions to international problems.

For that matter, Mr. Speaker, such an organization could in a way establish itself on the model of what was formerly known as the British Commonwealth and which has become simply the Commonwealth, which has served for many years as an international forum for the exchange of ideas among representatives of nations from the four corners of the world.

● (2225)

As for participation in a future Francophone summit, most countries share the position of Canada that each individual country should decide its mode of participation. Since important international issues would be raised at these meetings, Canada feels that the head of the Canadian government should take part in them.

On the other hand, France has clearly indicated that it could hardly participate in a summit from which Quebec would be excluded. France's position is not to exclude Canada, but it concerns our form of participation. On that point, it is obvious that our stands are incompatible. As for the form and content of a possible Francophone summit, it would seem essential that there be a wide consensus among the countries which might be interested before this project gets off the ground.

For all these reasons, Mr. Speaker, we believe that this idea should be well thought out until the conditions that would allow for a successful Francophone summit are met. It is obvious, Mr. Speaker, that the hon. member for Palliser (Mr. Schumacher) took this opportunity to voice to the House his antipathy and his hostility towards the French fact, but he is at least honest enough to say clearly and out loud what unfortunately several, not all but several, of his former colleagues think to themselves.

The Acting Speaker (Mr. Ethier): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at two o'clock.

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

APPENDIX

THE PRIME MINISTER'S ADDRESS AT THE INSTALLATION OF EDWARD SCHREYER AS GOVERNOR GENERAL OF CANADA OTTAWA, JANUARY 22, 1979

Your Excellency,

It is a great pleasure to extend to you, as you assume the office of Governor General, an assurance of the warmest good will of the Government, Parliament and people of Canada. In their name, may I ask that your first official act be to convey to Her Majesty, the Queen of Canada, a message expressing our loyalty and affection.

[*Translation*]

You are taking on the responsibilities of your high office at a challenging time for Canada, and a no less challenging time for its Governor General.

The scope of that challenge is the true measure of both the trust which the citizens of this country place in your hands, and of their lively confidence that you will be a wise and helpful steward of that trust.

At first glance, the prerogatives of the Sovereign and of Her representative in our parliamentary democracy seem startlingly simple: the right to be consulted, to encourage and to warn.

But on closer examination, what a wealth of potential for furthering the common good lies hidden in those simple words. What great opportunities for helping to create and define the evolving spirit of a dynamic nation can be discovered in that simple description of your office.

Canadians look to their Governor General as a person of stature, broad experience, and commitment to Canada, a person whose insight and breadth of vision can lead us all to a deeper appreciation of the values we share, the greatness of character we have inherited, and the destiny which can be ours if together we will it into reality.

Above all, we look to you to help lead us toward a keener awareness of the strength and value of our country, its people, its system of government, and its rich history of achievement. Upon that awareness can be built an even stronger Canada, with a renewed commitment to individual liberty, and shared opportunity.

[*English*]

You and your office are therefore a potent symbol of our unity and united purpose, and a symbol as well of the many streams of humanity which flow together into a uniquely Canadian experience.

Your commitment to public service, demonstrated as a Member of Parliament and as Premier of Manitoba, together with your thoughtful perspective on this country's problems and opportunities, eminently suit you for the role you are about to play.

Canadians have two special reasons to look to your term of office with more than the usual sense of anticipation. For the first time, the meaning of Canada will be expressed in a vice-regal voice tinged with a truly western accent.

We will hear about ourselves and our potential from the vantage point of one who identifies strongly with the open spaces and open people of the west—with their history of pioneering struggle to set down new roots in a new land. We will be hearing from a man who shares the pride of the Canadian west in its achievements, and the enthusiasm of western Canadians to tackle the problems of further development.

The second reason why we look upon your appointment as an event of historic importance is that, again for the first time, our first family will represent those millions of Canadians who trace their ancestry to countries other than Great Britain or France.

I share with countless others the well-founded hope that you will help lead all Canadians toward a deeper understanding of the richness and variety of our cultural heritage.

Personally, I look forward to my weekly meetings with you, because I know that a man who has known the joys and anguish of elective office will offer unusually well-informed advice.

On behalf of Canadians everywhere, I thank you for accepting the responsibilities which are now yours.

I wish to acknowledge as well the great debt of gratitude which we owe to Her Excellency, Mrs. Schreyer. We are all mindful of the fact that, in supporting your decision, she has herself willingly assumed an equal share of your official responsibilities, and an equal share of the resulting personal sacrifices.

To both of you, and to your children, we extend our best wishes for many happy years in Ottawa.

May all your days in your new home be filled with joy and peace. May duty be a pleasure. May God grant you satisfaction and fulfilment in the service of Canada.

REPLY OF HIS EXCELLENCY THE GOVERNOR GENERAL TO THE ADDRESS OF THE PRIME MINISTER

Prime Minister,

I shall be honoured to carry to our Gracious Sovereign Queen Elizabeth II the tidings of loyalty and affection which you have entrusted to me on behalf of the Canadian people. In accepting this task, I convey to you my determination to carry out those responsibilities which she has entrusted to me on Her behalf.

My wife, Lily, and I are grateful for the welcome and for the kind words you have expressed to us. We shall always cherish them.

[*Translation*]

I realize I am accepting a responsibility and honour that has been accorded to only four other Canadians. I am following in distinguished steps, and not only theirs. My lifetime has spanned the decades from Lord Tweedsmuir to the Right Honourable Jules Léger. Those who served Her Majesty as Governor General in those years brought great and varied distinction to the office. I pray I am equal to this task, to this office and to this time.

All previous Governors General of Canada have symbolized for Canadians that stability and continuity of national life and institutions so necessary to any cohesive civilization. This need is all the greater in a society whose very essence is the diversity of its culture and the vastness of its geography, in the society that is our Canada. The task is clear: the task is real.

[*English*]

As I undertake it, I have already received thousands of messages of good will and support. My wife and I are encouraged by them. In the coming days and weeks we shall seek continued support from all who care about Canada—and they are legion, whether Canada for them is the land of their ancestors or the land of their choice. All these Canadians, this blessedly overwhelming majority in every province of Canada, will provide, with the help of providence, a yearning for the preservation of one Canada that will not be frustrated, a wisdom that will not be denied. Canada remains our transcending objective. The reasons, both in our spiritual and in our material well-being, are self-evident.

[*Translation*]

It is with profound sadness that I note a minority view that does not acknowledge that in an enlightened federal Canada there is scope for the fullest expression of cultural and linguistic heritage. The preservation of our country's economic capacities and its weight in the councils of the world surely need not be sacrificed in order to achieve a greater measure of freedom. The freedoms we now share and cherish are equal to the best of countries on this planet. They are surpassed by none. They can be greater still. It is not necessary to break the bonds of our common history to do so.

For, whatever our origins, wherever we live in Canada, we have all contributed to the building of this country. Each Canadian, though unable truly to realize the greatness of the collective achievement that is unfolding, is playing his part. I would recall the eloquence of my predecessor, the Right Honourable Jules Léger, in this regard:

> This might be said of generations of honest and unassuming people of Quebec, who have always been faithful to their homeland, having no other and seeking no other. Men of the land, men of the sea, of the church and of business, I pay them warm tribute for without their courage and tenacity the Canada we know today would not exist. They lived their lives along the shores of the mighty river that bore their ancestors and shaped their destiny.

The faith of our history is borne in these, the words of a man of wisdom and patriotism and exemplary courage, who well understands the importance of French-speaking Canadians to our broadening mosaic. I can only concur with these words. They capture the pride we share in our diverse origins and the recognition we share that in those origins lies the source of our striving toward the larger horizons of spiritual tolerance and material progress that come with a larger unity.

[*English*]

To this, I must add the bringing to this new land, first to the Atlantic and then the central provinces, much more than a century ago, of British parliamentary institutions and English common law and jurisprudence. The stability and magnanimity of the English-speaking peoples who came to these shores is another great stream of our history.

But in the confluence of these two great streams that have shaped our Canadian character must surely be seen the force of two additional tributaries adding to the majestic flow of our culture and civilization. One is, of course, our brothers and sisters, Inuit and Indian. They constitute a group of Canadians who are caught between their traditional ways and contemporary opportunities. Whichever course they choose will bring grave difficulties for those involved, for those working with them.

The other stream is that multiplicity of groups that chose Canada or whose ancestors chose Canada. I know their contribution to Canada. The ethnic mosaic has made for a more colourful and interesting Canadian way of life. Those who make up this mosaic share the goal of retaining the clarity of that mosaic, for in the clarity of their cultural distinctiveness lies its beauty.

There is also shared experience—the shared experience of adversity. Whether we think of the earliest habitants, or the coureurs des bois; of the United Empire Loyalists of Upper Canada or the Maritimes; whether we think of the Scottish fur traders of the northwest, or that incredibly small pocket of English and French-speaking settlers known as the Red River Colony at the Fort Garry and the St. Boniface Missions; whether it be the Icelandic-speaking settlers after 1870 or German-speaking Mennonites and Hutterites at the same

time—one the victim of nature, the other of human persecution; whether it be central European immigrants pulling their belongings across the untilled Prairies by sheer physical exertion or the frustration of the Indian and Metis fearing the loss of hunting grounds, and the coming of malnutrition, pestilence and disease, in all this history one word stands out—adversity. Our problems of today are as nothing. To succumb to pessimism, to allow fragmentation, to accept the shattering of the Canadian mosaic is to break faith with all who endured so much to build so well what we have today.

What we have today can be secured if we remind ourselves of some self-evident truths spoken by a Canadian of venerable years but still active among us. He said, the truth is that Confederation was conceived of by men of two different but equally rich communities. Bilingualism and multiculturalism are facts of Canadian life, they cannot be avoided nor should they, for they are assets, not liabilities; positive factors, not negative ones.

But there is also a need to speak for all of Canada. It is what we share that allows us the richness of our diversity and we need to remind ourselves of this whenever we become preoccupied with our differences. As we shape present policies we preserve the necessary options for future generations of all Canadians.

What I believe many people earnestly hope for is not merely the toleration of our differences, but the realization that to be a good Canadian each of us must be true to his or her heritage. This noble sentiment was eloquently expressed by Sir Wilfrid Laurier when he said:

> Three years ago when in England, I visited one of those models of Gothic architecture, which the hand of genius, guided by an unerring faith, had moulded into an harmonious whole. This cathedral was made of granite, oak and marble. It is the image of the nation I wish to see Canada become. For here, I want the granite to remain the granite, the oak to remain the oak, the marble to remain the marble. Out of these elements I would build a nation great among the nations of the world.

[*Editor's Note: The Governor General repeated the previous paragraph in German and Ukrainian as follows:*

Dieser Dom besteht aus Granit, Eiche und Marmor. In derselben Weise sehe ich auch Kanada. Denn hier soll der Granit Granit bleiben, Eiche bleibt Eiche und Marmor bleibt Marmor. Aus diesen Elementen schaffe ich eine Nation, die gross ist unter den Nationen der Erde.

Це відбиток той нації, якою я хотів би щоб Канада стала. Я хочу, щоб тут граніт залишався гранітом, дуб дубом, мармур мармуром. З цих елементів я би збудував одну із могутніх націй світу.]

[*Translation*]

What Sir Wilfrid Laurier clearly believed, what he shared with others, with Sir John A. Macdonald, with Brown, with Blake, with Sir George-Étienne Cartier, what they share with my predecessors and with me, is that a diverse society in a vast land can experience a broadening of the mind and spirit—a magnanimity of the soul. Their idealistic dream has become almost the full reality. We need but work together to avoid slipping backward toward the fragmentation of intolerance.

[*English*]

Today I say with the deepest conviction that we can do this. Within 50 years, a moment in the sweep of history, our Canada has gone from aloofness to tolerance, and beyond tolerance to respect for, indeed a deep desire for, the retention of the differentiations of our heritage and culture.

[*Translation*]

But the need for this vigilance, for this effort, is incumbent upon us all and particularly on whoever holds this office.

[*English*]

It is said that Sir Wilfrid Laurier testified to Lord Grey's work as Governor General, that he gave his whole heart and his whole soul to Canada. If those words could ever in truth be applied to me, as a third generation Canadian from the wheatfields of the west, by my contemporary Prime Minister—only then could I feel that I have kept faith with all who love our country. One Canada, whole, undivided, the benefits of our pluralism intact.

[*Editor's Note: The Governor General said the following in Polish:*

Oby pamięć naszej pracy i naszego kraju byla blogoslowiona na wieki. Niech żyje kanadyjski kraj i naród na wieki wieków!]

[*Translation*]

May the memory of our work and of our country be blessed forever.

[*English*]

From sea even unto sea.

HOUSE OF COMMONS

Wednesday, January 24, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

SPORTS

INVITATIONS TO UNVEILING OF PLAQUE COMMEMORATING CANADA GAMES—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion on a matter of urgent and pressing necessity.

Considering statements made recently at the Can-Am Bowl in Florida by the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo) to the effect that the Liberal government had announced its own form of California's Proposition 13 with its recent cutbacks in fiscal spending, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That the minister be compelled to explain to this House and the people of Canada why her department issued an extravagant 10 × 14 inch glossy invitation requiring a 50-cent stamp to the unveiling of a commemorative plaque in Winnipeg on February 2 in connection with the Canada Games, when a standard size invitation requiring only 14 cents postage would have been equally appropriate and considerably less expensive.

Mr. Speaker: Such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH AND WELFARE

HEALTH SERVICES FOR CANADIAN INDIANS—MOTION UNDER S.O. 43

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the Department of National Health and Welfare has entered into agreements with numerous band councils for the delivery of health services—for example, the Mohawks at the Bay of Quinte and the Kettle Point Reserves—and in view of the fact that the minister's recent health guidelines are in violation of the agreements and will adversely affect the delivery of health care, I move, seconded by the hon. member for Hastings (Mr. Ellis):

That the minister immediately place a moratorium on the guidelines to permit adequate consultation as defined in the agreements.

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

Some hon. Members: Agreed.

Some hon. Members: No.

AVAILABILITY OF HEALTH SERVICES FOR CANADIAN INDIANS—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, although the preceding motion was on a similar subject, its rejection does not preclude the motion I am about to move.

Considering that Canada's Indian population has the highest infant mortality rate, the highest rate of infectious diseases, the highest respiratory disease rate and the lowest level of income in Canada, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instructs the Minister of National Health and Welfare to restore immediately health services to Canadian Indians to the level they enjoyed prior to the cutbacks recently announced so that health care is available without qualification.

Mr. Speaker: The presentation of such a motion for debate can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

[*Translation*]

SHIPBUILDING

REQUEST FOR EFFECTIVE SHIPBUILDING PROGRAM—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a very important issue which must be dealt with most urgently.

In view of the fact that unemployment seriously affects the economy of the south shore area, that the government must

urgently take the necessary steps to help the private sector become more active in the building industry, and also that the Lauzon shipyards which once provided jobs to some 3,000 workers are about to become extinct with only 400 workers left in June 1979, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House urge the government to implement an effective shipbuilding program for Canada and create a new merchant marine like the one it once had, thereby creating more jobs for workers within this industry.

Mr. Speaker: The House has heard the hon. member's motion. Pursuant to Standing Order 43, presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

TOURISM

UNITED STATES CAMPAIGN AGAINST TRAVEL IN CANADA—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Since certain publicity-seeking societies in the United States have commenced a campaign to persuade Americans not to travel to Canada until such time as Canada outlaws the seal hunt carried on off Newfoundland and in the Gulf since time immemorial, and in view of the fact that this campaign can have no worse effects on the tourism industry in Canada than the general incompetence of the government with respect to tourism, as exemplified by the increase in the air transportation tax recently announced, and in view of the fact that while the American animal protection groups campaign against the Newfoundland seal hunt, the seal hunt for adult seals killed by gunfire continues in the Alaskan islands so that furriers can be supplied with Alaskan seal furs to make into fashionable coats exported to Canada, among other countries, I move, seconded by the hon. member for Don Valley (Mr. Gillies):

That the government forbid the importation of Alaskan seal furs or any article of clothing made from Alaskan seal furs until such time as the Americans cease their hypocrisy and cease their attempts to harm the livelihood of hundreds of Canadian fishermen.

Mr. Speaker: The presentation of such a motion for debate at this time, pursuant to Standing Order 43, can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Lambert (Bellechasse).]

[*Translation*]

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

In view of the fact that government members have fewer opportunities than members of the opposition during the oral question period as a result of the practices of this House, I move, seconded by the hon. member for Compton (Mr. Tessier):

That the Chair grant a minimum of—

Mr. Speaker: Order, please.

* * *

[*English*]

VETERANS AFFAIRS

CALL FOR PRORATA PENSIONS FOR WIDOWS OF DISABLED VETERANS—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave, seconded by the hon. member for Sault Ste. Marie (Mr. Symes), to move the following motion under the provisions of Standing Order 43:

That this House calls on the Minister of Veterans Affairs to introduce legislation to provide prorata pensions for widows of disabled veterans in all cases where the pension of the veteran was below 48 per cent, and this House urges that this legislation be introduced forthwith so that it can be passed and put into effect before the present parliament is dissolved.

Mr. Speaker: The presentation of such a motion at this time requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

STATUS OF WOMEN

EMPLOYMENT STRATEGY OF GOVERNMENT

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is addressed to the Prime Minister. In view of the Prime Minister's replies yesterday that the president of the Advisory Council on the Status of Women was either unequivocally not addressing her remarks to the government in her speech of January 10, or that she was unequivocally wrong, and since an examination of her speech makes it obvious that her remarks were directed to the government and its policies regarding the employment of women in the labour force, can the Prime Minister tell the House just what state-

ments of Madame Rousseau were, indeed, unequivocally wrong?

● (1415)

Was she wrong when she said that the Advisory Council on the Status of Women, the government's own body to advise it on women's issues, had not been consulted before women were excluded from its employment strategy, or was she wrong in her presentation of the figures?

Some hon. Members: Order.

Mr. Speaker: Order, please. I think the hon. member has had ample opportunity to put her question.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. lady would have the answer to her question if she read the question asked by her seatmate, the hon. member for Egmont, yesterday. He made some allegations purportedly based on the statement of the hon. lady, the president of the Advisory Council on the Status of Women, which I inadvertently called the Voice of Women yesterday. He made these quotes and I said that they were quite wrong. I still maintain that they are wrong, and I challenged Madame Rousseau or the hon. lady from Kingston to quote any evidence to the contrary.

The allegation refers to "official statements"—presumably government statements, if that is the context—and reads as follows:

—in "official statements" women are considered either "responsible for the high rate of unemployment" or are being "used as scapegoats and as a screen for a chronic inability to redress the economy"—

This is not true. No one on that side or on Mrs. Rousseau's side can quote any evidence indicating that the ministers have said that. I know the opposition has attempted to deform the truth by alleging that, but they have never brought forward any evidence of that.

Some hon. Members: Shame.

Miss MacDonald: Mr. Speaker, my supplementary question is directed to the Prime Minister. He might consult his own record, the record of the Minister of Finance or the record of the Minister of Employment and Immigration to find out where they have, indeed, used those statements.

Some hon. Members: Order.

Miss MacDonald: In view of the fact the Prime Minister has referred to the comments of the head of the government's Advisory Council on the Status of Women as being "unequivocally wrong", I should like to ask him what her status is, in the face of this public disavowal of her advice.

When the Prime Minister gets information which he does not like, is he going to term both the bearer and the bad news as being unequivocally wrong? Is this the kind of treatment public servants will get in the future?

Mr. Trudeau: Mr. Speaker, there is a clear lack of logic in the hon. lady's question. First of all, she said that we have made the statements and that we have to consult the record.

Miss MacDonald: That is correct.

Mr. Trudeau: If the hon. lady has a shred of evidence, she should stand up and quote what part of the record bears that out.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mrs. Rousseau has not quoted the record, nor has the hon. member for Kingston and the Islands. If they have some evidence, let us hear it. That is my first point. My second point is that I did not allude to all statements. I made it clear in my answer—

Miss MacDonald: Now we are being selective.

Mr. Trudeau: Oh, yes, selective. I was answering a question. I made it quite clear that I have not read the report and that it would be studied by the minister responsible for the status of women, the Minister of Justice, who is attending a federal-provincial conference in Vancouver now. He will be back in the House tomorrow and no doubt he will have taken cognizance of the report and will be prepared to discuss it. I made it quite clear that I had not read it. What I answered were the allegations of the hon. member for Egmont. I said that those statements were wrong. That does not mean I reject all advice coming from outside sources: on the contrary, we set up this advisory council because we think it has a very important role to play.

Some hon. Members: Hear, hear!

Mr. Trudeau: But surely no logic would compel me to say that in accusations we have said some things which we never said; I must accept this as fact. I do not accept it as fact. I challenge the hon. lady to prove the contrary.

Some hon. Members: Hear, hear!

Miss MacDonald: Now that the Prime Minister is being selective in the statements which he accepts and does not accept, would he take a look at the Unemployment Insurance Act and what it has done to women throughout the country? There are a good many others of that nature.

● (1420)

In order that this matter and the allegations the Prime Minister made can be properly dealt with, I should like to ask the government House leader whether he will arrange that the recent reports and statements of the advisory committee be refered to the Standing Committee on Labour, Manpower and Immigration so that members of parliament will have the right and the opportunity to question Madame Rousseau on the statements she has put forward, including the one that her committee was not called into consultation or asked for advice

in formulating employment strategy as it applies to the women of this country.

Mr. Trudeau: Mr. Speaker, the hon. member for Kingston and the Islands makes the suggestion that my allegations be dealt with. Let them be dealt with now, Mr. Speaker. I have told the hon. lady that I answered certain questions asked by the hon. member for Egmont. I dealt with them. If the hon. member wants to deal with them by bringing contrary proof, iet her do so. She has not done so, she has just made wild allegations.

In so far as her suggestion that I am being selective is concerned, this is the most ridiculous thing I have ever heard. Every time opposition members stand in the House they are being selective. They always quote things out of context; they always quote things which seem to be detrimental to the government. I am asked a question which is selective in its very terms. The hon. member chooses certain phrases from what Mrs. Rousseau said and I attempt to answer those phrases, yet rather than him being the selective one, it turns out that I am the selective one. I am sure nothing could be more ridiculous, Mr. Speaker.

Mr. David MacDonald (Egmont): Mr. Speaker, I think it is unfortunate that the Prime Minister has not had a chance yet to read the document from the chairperson of the commission. If he looks at pages 1 and 3, references 1 and 4, he will see the specific reference to the Minister of Employment and Immigration.

I would like to direct a question to the Prime Minister. I am sorry he seems to be more anxious to win some debating points than to deal with the substance.

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): He seems more interested in that than dealing with the substance of a very important statement.

I refer to what the chairperson said at page 6, Mr. Speaker, and I ask the Prime Minister whether her statement referring to the fact that the "government does not know its own objectives, or does not make them known" relates directly to the other report that was published, namely, the Summary of Women in the Public Service, which indicated that the "government has failed to address the fundamental barriers preventing the equality of women in the public service such as the use of women as a reserve labour pool and their segregation into female ghettos." Is that also, as the Prime Minister said yesterday, unequivocally wrong, Mr. Speaker?

Mr. Trudeau: Mr. Speaker, I said yesterday, and I repeat it today, that I have not read the report.

An hon. Member: Well, read it.

Mr. Trudeau: You have not read it, either. Nor have you, and nor have you.

Some hon. Members: Oh, oh!

[Miss MacDonald.]

Mr. Trudeau: You have not read it, and they have not read it up there—

Some hon. Members: Oh, oh!

Mr. Trudeau: I bet you that the Clerk of the House and even the young lady sitting at your feet have not read it. A lot of us have not read it.

I told you, Mr. Speaker, that we have a minister who is responsible for this area who has or who will read it and who will deal with the substance. I do object when members of the opposition, with selective questions, try to pinpoint some area and try to nail the government with it. If they are quoting some areas which are inaccurate, I will say they are inaccurate, but I will not deal with the whole substance until the minister has returned.

Mr. MacDonald (Egmont): Mr. Speaker, I find it passing strange that the Prime Minister can say something is unequivocally wrong when he has not, in fact, read the report.

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): I would like to know whether the Prime Minister thinks that the chairperson was correct when she suggested in her question that the Advisory Council on the Status of Women is being used by the government for advice only when it is faced with emergency situations.

In view of the kind of performance the Prime Minister gave yesterday and today in respect of a very serious allegation by the chairperson of the advisory council, is that the view the Prime Minister takes, only to use the council in cases of political necessity?

Mr. Trudeau: Mr. Speaker, the hon. member draws weak applause from his side by asking how I can say a thing is unequivocally wrong if I have not read it. Surely that is a sign of either stupidity or bad faith. I answered the specific question by the hon. member. Let me read from page 2437 of *Hansard* where the hon. member for Egmont is quoted as saying:

● (1425)

—in "official statements" women are considered either "responsible for the high rate of unemployment"—

Apparently in our statements we have said that. We have not, and I make that clear again on page 2439 of *Hansard*. I was singling out a particular point quoted by the hon. member for Egmont to the effect that in some way the government was blaming women for the increase in the size of unemployment figures. This I say is unequivocally wrong; I did not say the whole report was wrong. On the contrary, and I repeat, we set up this advisory committee in order that it could give the government its good advice, and it has given good advice in the past.

This was not the report of the committee; this was a private opinion expressed by the president at some point in the pro-

ceedings, and she happens to be wrong in some of her facts. Surely, to say—

Mr. Clark: Oh, oh!

Mr. Trudeau: The Leader of the Opposition says "Oh, oh!". He has found something, "Oh, oh!".

Some hon. Members: Hear, hear!

Mr. Paproski: You are the one who has found something.

Mr. Trudeau: We now know that the Leader of the Opposition can find something sometimes, "Oh, oh!".

Mr. Baker (Grenville-Carleton): Boy, are you ever testy today.

Mr. Speaker: The hon. member for Oshawa-Whitby.

Some hon. Members: Oh, oh!

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

* * *

THE CANADIAN ECONOMY

INCREASES IN INTEREST RATES CHARGED BY CHARTERED BANKS—EFFECT ON COST OF LIVING

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. I want to assure him in advance that it is direct and to the point, and I just hope that his answer will be the same.

The Toronto-Dominion Bank has announced an increase in its Chargex lending rate to a scandalously high level of 21 per cent. The other chartered banks have already indicated that they will follow suit. In light of this situation, and in terms of the Prime Minister's responsibility for over-all government policy, I would like to ask him if he will call in the heads of the banks and obtain a commitment from them immediately that they will take steps to roll back these totally unwarranted increases which will force up the already high cost of living for Canadians.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am meeting with some business leaders, and I believe there are some bankers included, tomorrow and I will certainly consider raising the point which the hon. member has raised to me.

Some hon. Members: Hear, hear!

Mr. Trudeau: I wonder if he would also want me to raise with them the fact that they have made some settlements with wage earners in the banks that in my opinion are rather high and may be inflationary. Would the hon. member like me to raise that point as well?

Mr. Broadbent: Mr. Speaker, since bank employees are among the lowest paid in the country, I would like the Prime Minister to tell me which one he has in mind, and would he do that today and not put it off to a later time? I hope that the Prime Minister will follow up and that he is not playing rhetorical games, because I will ask him about the matter again after he has had his meeting.

As the Prime Minister knows, there is already legislation which stops other lending institutions, such as Household Finance, from charging the kind of rates that the protected Canadian banks are now charging consumers. Will he take immediate steps to bring forward an amendment to existing bank laws which will stop the banks from gouging Canadian consumers?

Mr. Trudeau: Mr. Speaker, the hon. member knows that the standing committee on finance, of this House, has been dealing with the problem of the Bank Act revision for several weeks. Indeed, it has been working very hard and meeting several times a day. I hope the members of his party who have any representations to make along these lines or any other will be there to make those representations. There is a committee meeting on this very subject. If the hon. member wishes to propose amendments to the Bank Act, surely he should do it in an effective way, rather than trying to make waves.

In so far as high wage settlements are concerned, I am not making any particular accusation.

Mr. Broadbent: You did.

Mr. Trudeau: I am saying that there have been some settlements which seem intolerably high.

An hon. Member: Which ones?

Mr. Trudeau: There have been some bank settlements with some of their employees—

An hon. Member: Which ones?

Mr. Trudeau: I see some of the members in the back row want more specifics. I just had a question from their leader, if they would listen, who was suggesting that indeed there must have been because they are the lowest paid and there must be some form of catch-up. I take it that is the point—

An hon. Member: You raised it.

Mr. Trudeau: —raised by the Leader of the New Democratic Party. Some of them shake their head no, and this one remains silent.

Some hon. Members: Oh, oh!

Mr. Broadbent: Mr. Speaker, it seems to me that the Prime Minister cannot have it both ways. He cannot say to members of the Conservative party, as he did just a minute ago, that they are not being specific enough, and then make gratuitous accusations about bank employees without documenting his own case.

Some hon. Members: Oh, oh!

Mr. Broadbent: In this context, I would like to ask the Prime Minister, since he has referred to the bill being before committee and since, in fact, we have already requested in that committee that steps be taken to stop the banks from overcharging for consumer loans, to commit his government to taking the same action so that Canadian consumers will not be gouged by the banks.

Mr. Trudeau: Mr. Speaker, we have legislation before this House which attempts to protect consumers and we are prepared to discuss it if the various House leaders can make time for it. I was making an accusation which the opposition wants me to make specific. I do not remember the particular bank which made the settlement, but there has been a collective agreement signed.

An hon. Member: Which one?

Mr. Trudeau: I do not remember the name of the particular bank.

Mr. Paproski: Ask O'Hagan about the Bank of Montreal.

Mr. Trudeau: It may be the Bank of Montreal, as the hon. member for Edmonton Centre suggests, but I do not remember. I am just saying that we are disturbed by some high settlements in banks and in other industrial areas in the country. We are concerned that there be a new spurt of inflationary push in some of these sectors. I intend talking to some business leaders about this when I meet them on Friday of this week.

● (1430)

If the Leader of the New Democratic Party is concerned that some areas have been badly paid in the past, I think there can be a provision for catch-up, but it is important that there be no high settlements in the two-digit figures, particularly if we in this country are to keep the inflationary spiral from being born again.

* * *

[*Translation*]

NATIONAL DEFENCE

REQUEST FOR SPEEDING UP SHIPBUILDING PROGRAM IN QUEBEC

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of National Defence. A few moments ago I proposed a motion concerning unemployment on the south shore specifically, as well as the lack of work at the Lauzon shipyards. My question is therefore as follows. Would the minister be prepared to recommend to his cabinet colleagues that the Canadian frigate construction program which he announced during the last session be advanced so as to create jobs for hundreds of workers who normally work in the shipyards, especially in Lauzon, in order to ease the burden of unemployment insurance and eventually of social welfare?

[Mr. Broadbent.]

[*English*]

Hon. Barney Danson (Minister of National Defence): I am sorry, Mr. Speaker; I was engaged and did not realize the question was for me, so I would ask the hon. member to repeat it. I was dealing with something of great national importance.

[*Translation*]

Mr. Lambert (Bellechasse): With your indulgence, Mr. Speaker, I shall repeat my question to the Minister of National Defence. I think he is defending us more than we might think.

My question was as follows: I said that a while ago I presented a motion to this House with a view to asking parliament to urge the government to speed up the shipbuilding program so as to improve the employment situation which is a big problem in my region. My question to the minister is as follows: Would he be prepared to recommend to his cabinet colleagues to advance the Canadian frigate construction program he announced during the last session in order to give jobs to those workers of shipyards who are at present unemployed and who will soon have to resort to welfare assistance if they are not given work?

[*English*]

Mr. Danson: Yes, Mr. Speaker. That, too, is a matter of great national importance and one to which my colleagues in cabinet in total are giving special attention.

There is a plan to work more ships from our fleet into that schedule for refit and repair. I cannot give precise details at this time, but I would be very happy to get the details of scheduling, because I would not want to mislead in any way, so that my hon. friend from Bellechasse will have precise information on the time that work will be going to the shipyards. We want to keep them occupied, not only with ships from my department but other ships as well.

[*Translation*]

Mr. Lambert (Bellechasse): Since the minister seems to be positive in his answer, can he tell more precisely if this is going to happen in the near future and if the necessary submissions have been presented to the Treasury Board to carry out this program to keep these shipyards workers out of a still worse unemployment situation?

[*English*]

Mr. Danson: Yes, Mr. Speaker, we are giving it the highest priority, as I said to the hon. gentleman. Indeed, in answer to some personal representations I have had from my colleague from Levis, I am getting the precise information of the dates which we are trying to speed up as much as possible so that there will not be a gap in employment in those very important shipyards.

POST OFFICE

POSTMASTER GENERAL'S COMMENTS ON FIRING INSIDE WORKERS—GOVERNMENT POLICY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Prime Minister, in the absence of the Postmaster General.

I should like to ask whether consideration has been given to the statement made by the Postmaster General, that Canada's postal problems could be solved by firing 500 inside workers who were causing all the trouble. Did the Postmaster General give the Prime Minister a list of these 500 recreant individuals, and what consideration has the government given to carrying out this policy which is a body blow at the whole question of bargaining? It is a very serious statement. I have been waiting a couple of days for the minister, and he is not here.

An hon. Member: He was here yesterday.

Mr. Diefenbaker: The Prime Minister, being all admission, I know will be able to give a full and complete answer on a problem as serious as this.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Postmaster General is in Moncton, New Brunswick, on official business. I understand he was in the House yesterday, but I think the right hon. gentleman was too busy with his own members yesterday to notice that he was here.

I will have further discussions with the Postmaster General. I do know that he made this statement and I do know he is attempting to bring the matter to cabinet to discuss it further with us. I cannot vouch for the particular figure of 500, but I think even the right hon. gentleman would know that in any group there are some troublemakers and you can do without those.

Some hon. Members: Hear, hear!

An hon. Member: Where is Jack?

Mr. Trudeau: Mr. Speaker, it is very important that the leaders, I presume—the leaders in any group—straighten out those troublemakers.

Mr. Diefenbaker: Mr. Speaker, normally I admire the Prime Minister when he is witty, but not when he is half-witty in his transcendingly happy mood today. It is obvious that across this country there are in the Liberal party thousands and thousands who are very discontented and are bringing it to his notice that the government is not doing anything. Is that the reason he is in such a truculent state today?

Mr. Trudeau: Mr. Speaker, perhaps I am not as good a witness as the right hon. member, but it seems to me it was on that side of the House that there was some discontent with their leader in the past couple of days.

● (1440)

THE CANADIAN ECONOMY

HIGH INTEREST RATES—EFFECT ON REAL RATE OF GROWTH

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Prime Minister. Given the fact that yesterday the Minister of Finance committed the government to following a high interest rate policy and said that it had no intention of changing it, and given the fact that there have been three increases in the interest rate since the last report on Canada's economic prospects made by the government, is the government in the process of preparing new economic forecasts, or is it the position of the government that high interest rates will have no effect on investment next year and, therefore, the real rate of growth?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot be precise in saying whether or not the government is preparing new economic forecasts. I do know that the Department of Finance is constantly updating its forecasts and I would not be surprised if it is in the process of doing that now.

Mr. Gillies: Mr. Speaker, my question is again for the Prime Minister. Given the fact that there is a considerable debate going on across the nation now among well informed people about whether or not the change in domestic interest rate policy is necessary in relation to the dollar, which presumably was the reason given, and given the absolutely fundamental importance of this for the growth of the economy and decline in unemployment, I ask the Prime Minister whether he will give a reference to the standing committee so that we can open a debate and have witnesses from all over the country, together with the governor of the Bank of Canada and various other people, in order to examine whether it is essential at this time to have a high interest rate policy, when traditional economic analysts suggest that we do not need it, and when there have been times that it has not been necessary to have high interest rates to keep protection of the dollar, such as was the case between 1971 and 1973. Nothing could be more fundamental to the future of the economy of Canada.

Mr. Trudeau: Mr. Speaker, I appreciate the bewilderment of the hon. member. As a member of the economic profession, I am sure that he is very concerned with these matters and he knows better than I do the fact that the economists themselves are very much divided in this debate. I am sure if we had the hearings that he refers to, we would hear conflicting views: we would have a lot of economists saying one thing on one hand, and reference to Trudeau's one-armed economists on the other hand. I am sure we would have two views on just about everything.

The interesting point is that we would also have two views from the opposition party. For instance, the hon. member's leader is talking about a deficit, a very large one, and the financial critic for the opposition as late as a few months ago was suggesting that we must hold the budgetary deficits steady—

Mr. Speaker: Order, please.

Some hon. Members: Oh, oh!

* * *

EXTERNAL AFFAIRS

REIMBURSEMENT FOR CLEAN-UP COSTS OF CRASHED SOVIET SATELLITE

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Secretary State for External Affairs. Yesterday, the Minister issued a press release announcing the government has submitted a claim for some $6 million to the Soviet Union for the expenses of cleaning up after the crash of Cosmos 954. It made this claim under the Convention of International Liability for damage caused by space objects, otherwise known as Treaty 7.

Could the minister explain to the House why the government failed to claim under Treaty 6 where, under article 5, paragraph 5, the Soviets would have been required to pay all expenses incurred in the recovery of returning space objects?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I will as soon as I get a chance to look at Treaty 6.

Some hon. Members: Oh, oh!

Mr. Jamieson: I have to tell the hon. member that I have relied upon the advice of our legal experts on this matter. It was their judgment that this was the proper and appropriate way to proceed. I must confess that, not being a legal person myself, I do not know what the answer is to the hon. member's question.

Mr. McKinnon: Mr. Speaker, the main bone of contention in the debate that took place in this House last January over this matter was whether it should be under Treaty 7 or Treaty 6, and I am amazed that it appears the minister has not read either of them.

My supplementary question is for the Minister of Energy, Mines and Resources. I understand he was in charge in the final stages of this operation. Could he tell us what the total cost of the operation to all departments is, so we will know what fraction the Russians have been asked to pay for?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, there were a number of questions raised on this matter before the standing committee at that time. We gave the information that was then available to us. I think some of the information was provided by the Department of National Defence and some was provided by the Atomic Energy Control Board which comes under my jurisdiction and to which the hon. member has referred. I am not sure what other departments have submitted estimates of out-of-pocket costs which they have incurred.

I would be very pleased to see if that information could be brought together and submitted to the hon. member, if it has not already been put on the record before the standing committee.

* * *

COMMUNICATIONS

PLANS TO EXTEND TV COVERAGE OF HOUSE PROCEEDINGS

Mr. Jim Fleming (York West): Mr. Speaker, my question is for the Minister of Communications. In view of the fact that a consortium of cable operators and the Canadian Broadcasting Corporation have shown a willingness to proceed with plans to transmit via satellite, live, proceedings of the House of Commons to all parts of the country, would the minister use her good offices to ensure that this goal is reached with the least possible delay?

[*Translation*]

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, it is obviously desirable that the TV broadcasting of parliamentary debates be given the widest distribution possible. I can only be delighted that the CBC is contemplating offering its services to the public.

As for the Rogers TV Cable Limited project, we will recall that the CRTC indicated its preference for the establishment of a consortium for the distribution of the debates of the House. Whatever the case may be, both projects imply the use of the satellite, which is a good thing, and I can only encourage both initiatives.

There is, of course, another alternative, namely direct broadcasting by the CBC of at least the oral question period. That way 99 per cent of the population would be able to follow the debates of the House.

* * *

[*English*]

LOTO CANADA

EXPENDITURES ON LOTO SELECT PROGRAM

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Minister of State for Fitness and Amateur Sport relating to the aborted Loto Select program.

A month and a half ago the minister indicated to the House that she would be prepared to make available to the House and to the Canadian public a full accounting of money that was committed to date and which was wasted under the Loto Select program. Would the minister now keep the commitment that she made and will she give the House an indication of how much money has been confirmed as wasted in the Loto Select program and what the face value is of all accounts which still remain to be settled?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I am sure the hon. gentleman will be delighted to hear that he should have asked his question yesterday, because I do have some news for him.

An agreement in principle has been reached between General Instruments and Loto Canada. However, all the lawyers involved are presently fine-tuning the final results and I expect to report the final details to the House of Commons in three weeks.

Mr. Beatty: Mr. Speaker, I hope they will have more success in getting out of the contract than the government had in getting into it.

Could the minister now confirm to the House that her officials signed a $5 million contract with Addressograph-Multigraph of Canada Ltd. in September of last year at the same time the minister was negotiating an end to the Loto Select program, and could she tell the House what it will cost the Canadian public for this particular mistake?

Mrs. Campagnolo: Mr. Speaker, I deny that there is any mistake involved. Anyone involved in business knows that if you have a large business such as the corporation of Loto Canada, the corporation of Ontario and the corporation of Quebec, involved in a business undertaking, in order to rationalize the market between the two there is a cost involved. That cost will be considerably less than has been suggested by the media and by the hon. member.

I think the hon. member should also keep in mind that in order to secure a mass market of some $200 million annually, gross, to the provinces of Ontario and Quebec, and $200 million annually to the people of Canada in Loto Canada, there is a price to be paid. It will be paid and the amount will be made known.

With regard to the specific question of Addressograph-Multigraph of Canada Ltd., the matter is in the hands of counsel.

* * *

NATIONAL DEFENCE

RESPONSIBILITY FOR ANNOUNCEMENTS ON DEFENCE SPENDING

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Prime Minister. The Chief of the Defence Staff, who occupies a position similar to that of a deputy minister, is reported recently, at a conference of defence associations, to have urged that military supporters should campaign to put pressure on members of parliament and cabinet ministers on the question of the maintenance of defence spending.

Does this represent new government policy, replacing the concept accepted hitherto that such political pronouncements should be made not by deputy ministers but by responsible ministers of the Crown?

• (1450)

Right Hon. P. E. Trudeau (Prime Minister): I certainly accept the statement of policy as it should be, made by the hon. member for Greenwood. I cannot comment on the particular quote about which he asks me. I do not know when and where that was said and in what context, but I will gladly find out and discuss it with the deputy or with one of my generals—and I do not listen to all my generals all the time, either. I will gladly look into the matter. I think the position is as the hon. gentleman stated it, that policy is enunciated by ministers, by the government, and not by members of the armed forces.

Mr. Brewin: I might point out to the Prime Minister that this statement was made on January 18 in the Chateau Laurier by Admiral Falls who is Chief of the Defence Staff. What action will the Prime Minister take, or what action has been taken, to convey to Admiral Falls and others in similar positions that on political matters the political authorities speak for the Government of Canada, and not public servants?

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I have met and had discussions with Admiral Falls on many occasions, and I can assure the hon. member that he is a very distinguished officer of the armed forces and I have high regard for him.

An hon. Member: Having it both ways again.

Mr. Trudeau: Well, this is always the way: the truth is not always as simple and clearcut as the socialists would have it. I do not think even the leader of the New Democratic Party can fault me for saying I have high regard for Admiral Falls—and that is not having it both ways. If, indeed, he made any mistake, which I said I did not know of but with regard to which I would inquire, I will draw it to his attention and see that this mistake is not repeated. Surely this is the proper way of doing things.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

INQUIRY AS TO REFERENDUM ON CAPITAL PUNISHMENT

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question is for the Solicitor General of Canada.

In view of the fact that ever since the death penalty has been abolished the number of crimes has continually risen throughout the country, and in view of the fact that in the last two weeks there has been a number of sordid murders in the Montreal area, can the minister tell the House whether he intends to eventually bring back before the House the question of capital punishment? If so, would he consider instead holding a referendum throughout the country so as to leave the

decision on that matter to the citizens of Canada rather than to the 264 members of parliament?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, at the outset I would like to indicate to the hon. member that contrary to his allegations there has been a decline in the commission of violent crimes since 1976. Let me quote some figures. Thus, in 1975 there were 603 violent acts per 100,000 of population, and in 1977 there were 581.7 violent crimes per 100,000. This means there was a very significant decline. So I do not think the recommendations of the hon. member should be followed up. Hence the government has no intention of reconsidering the question of the death penalty.

* * *

[*English*]

EXTERNAL AFFAIRS

TERMS OF AGREEMENT WITH UNITED STATES ON FISHING BOUNDARIES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs.

In view of the fact that Canadian and United States negotiators have reached a tentative agreement on east coast fishing rights which calls for reciprocal fishing to resume in the disputed area while the question of settling the boundary line goes to international arbitration, will the minister indicate the terms of the tentative agreement and tell us whether there are any bilateral agreements with foreign fleets fishing in this area which have to be altered or reviewed, and will he assure us that the need to refer this matter to an international tribunal does not in any way indicate a breakdown in relations between Canada and the United States?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): I welcome this opportunity to tell the House that I was advised this morning by our negotiator, Mr. Cadieux, that an arrangement or agreement along the lines roughly outlined by the hon. member has been reached. I shall be meeting with Mr. Cadieux at three o'clock this afternoon for a full and detailed briefing, and subsequent to that, in an appropriate way, I shall be making the details known to the House, the country and the parties concerned.

As to the specific questions the hon. member has raised, I can tell the House even in advance of my meeting with Mr. Cadieux that if by "foreign" he means non-Canadian or non-American, then to the best of my knowledge that situation has not been altered by any kind of arrangement. However, I will look into that aspect.

On the question of our relationship with the United States, I can say that the arrangements which have now apparently been made have been arrived at in a most amicable manner and there has certainly been no difficulty whatever other than the obvious difficulties which arise when dealing with a complex matter of this kind. May I take this opportunity to offer the highest congratulations to Mr. Cadieux, a distinguished servant of Canada, who has done a superb job in this case.

Some hon. Members: Hear, hear!

PROPOSED CHANGE OF AIR CANADA OPERATIONS FROM HEATHROW TO GATWICK

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs. It arises out of the determination of the United Kingdom government to move Air Canada's London operations from Heathrow to Gatwick.

It is my understanding that the High Commissioner called upon a British cabinet minister to state Canada's position very clearly. Can the hon. gentleman tell the House what response has been received following that meeting? Perhaps he could also outline what further steps Canada intends to take to support the position of Air Canada, bearing in mind that the move would have a major disruptive effect upon our national airline.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): The hon. member is correct: at my request our High Commissioner has delivered a personal note to the British Foreign Office and Commonwealth Office indicating our disagreement with the apparent decision to have Air Canada moved to Gatwick. We have made it clear that we totally support Air Canada in its efforts to resist this proposal.

No formal response has as yet been received to the note which was delivered on the 18th, I believe, or if not on the 18th then certainly on the 19th. In these circumstances, I believe it would be wiser to refrain from answering the second part of the question because I might be anticipating what the British government is going to say.

Mr. Mazankowski: Since bilateral air talks are currently going on, or will soon be going on, can the minister tell us whether Canada is participating in these bilateral negotiations or whether there is any intention of suspending those talks until this matter has been resolved?

Mr. Jamieson: I want to be extremely careful in answering that question. Normally, we do not associate bilateral negotiations with the assignment of airport space or anything of that nature. I do not believe, however, that I am going beyond the bounds of logic here if I say that should there be significant losses for Air Canada as a result of its transfer from Heathrow to Gatwick, then clearly, in terms of our bilateral negotiations with the U.K., we would have to take those losses into account in any kind of consideration we might otherwise be disposed to give them in relation to access to other cities in Canada.

ENVIRONMENTAL AFFAIRS

PRIVATIZATION OF FORESTRY SERVICES—GOVERNMENT POLICY

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of State for the Environment, who before the Christmas recess committed himself to report to the House as to the result of the privatization scheme affecting the forestry services and, more particularly, the forest products laboratories in Vancouver and Ottawa.

● (1500)

Can the minister tell the House what agreement has been reached with the private sector, and can he tell us if the agreement which has or has not been reached is commensurate with the action which has been taken by his department to send lay-off notices to the scientists involved?

Hon. Len Marchand (Minister of State (Environment)): Mr. Speaker, I am very pleased to indicate to the House that an interim board of directors has been set up under the chairmanship of Mr. Bob Rogers who is the chairman and chief executive officer of Crown Zellerbach, who has brought together a very impressive group of people to work with him on this interim board. This indicates to me, and should indicate to the hon. member, that this vindicates the decision which has been made by the government to privatize these two labs. There is a great deal of support in the private sector for this move toward privatization.

Lay-off notices are a technical requirement. Lay-off notices went out from my department on January 12, but offers of employment were sent out at the same time. Mr. Rogers offered employment to all of the employees in these labs and it is my wish that the employees accept this employment so that they can carry on essentially in the fashion to which they have been accustomed. I feel they have done very good work. Their work is known worldwide and I hope they carry on this good work.

Mr. Oberle: Mr. Speaker, the name the minister has given is indeed impressive, and I agree that the employees involved have made a contribution to the forest industry. The question is how this name is backed up with cash, because my information is that there has been no commitment from the private sector up to this point to assume the responsibility of maintaining the budgets of these labs.

Why did the minister find it necessary to send out lay-off notices before guarantees were secured from industry?

Mr. Marchand: Mr. Speaker, the lay-off notice was really a technical requirement. Perhaps the hon. member could address that question to the President of the Treasury Board.

The interim president who has been appointed is now passing the hat around, so to speak. He is contacting various potential contributors, including industry and provincial governments, regarding what money can be found. As I said before, there is confidence that support can be found in order to make up the $3.3 million which will be required to keep the labs operating at the same level as before.

COMPARABILITY OF BENEFITS FOR PUBLIC SERVANTS FORCED TO MOVE BECAUSE OF PRIVATIZATION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a supplementary question. In the course of the privatization of these labs, the 122 people who have received notices are in effect moving to the private sector from the public sector. Are there any negotiations being undertaken by the government with respect to these people in order to ensure comparability of the level of benefits of public servants for those who are being forced to move as a result of this action?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, it is my understanding that these people have certain protection under their agreements and arrangements with the Government of Canada. Those will be honoured. The notices were required because of the time-frame involved in order to accomplish our end of March objective. However, the public servants involved will in fact receive the protection to which they are entitled.

* * *

GOVERNOR GENERAL

DELAY IN PRINTING OF SPEECHES AT INSTALLATION OF EDWARD SCHREYER

Mr. Speaker: Yesterday the House agreed to print as an appendix to *Hansard* the speeches of His Excellency the Governor General and the Right Hon. Prime Minister (Mr. Trudeau) during the ceremonies held in the Senate Chamber on Monday, January 22.

Technical difficulties have arisen in that the Printing Bureau is in a position to print a translation of certain portions of the speech of the Governor General rather than the actual words spoken by His Excellency in the course of his presentation. Rather than print the translations and in order to be more faithful to the words which were spoken, we are equipping ourselves to print that language later in the week, and when the bound version of *Hansard* is produced in due course, it will appear as an appendix to *Hansard* for the date which was ordered by the House—Tuesday—and it will be printed as an appendix on the date on which we are able to produce it, which should be later this week.

* * *

[*Translation*]

PRIVILEGE

MR. LAVOIE—MOTIONS UNDER S.O. 43—REQUEST FOR RECOGNITION

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, first of all I want to thank you for having recognized me today. My

question of privilege concerns the motion on the same subject that I moved earlier under the terms of Standing Order 43. It is the second time in less than a year that I move a motion under the terms of Standing Order 43 and that the Chair does not allow me to move it. I would at least like the Chair to provide us with some explanation in such cases since I went to the trouble of moving this kind of motion so that government members be allowed to speak. I noticed that two members on this side of the House were recognized yesterday and two others today. This is not a very high average. Indeed before the Christmas adjournment I suggested to the Chair, as you will recall, that we should try to get some agreement on this matter. In any case, I shall not repeat myself because I would not want to take up too much of the time of the House. However, there are other means, other standing orders, and I shall follow our rules and bring up the matter again in this House unless the Chair decides otherwise and tries to obtain some agreement.

Mr. Speaker: Order, please. Even if the hon. member for Hochelaga (Mr. Lavoie) has a grievance as concerns the procedure of the House, he must certainly understand that the subject of a motion proposed under the terms of Standing Order 43 must always be of an urgent and important nature. In general, I do not accept that matters concerning the procedure of this House be brought by means of an urgent motion proposed under the specific provisions of Standing Order 43. This is why I simply refused to accept this afternoon a motion on the subject of the procedures of the House which had been moved under Standing Order 43. Later this week or perhaps next week, I shall discuss in more detail points of order raised previously on the subject of motions proposed under Standing Order 43.

For the moment, the House must understand that certain matters can properly be the subject of motions under Standing Order 43 since they may be of an important and urgent nature and require our immediate attention. However, the procedures of this House are certainly always important, and in my opinion such matters should simply never be raised by means of a motion proposed under Standing Order 43.

[*English*]

MRS. CAMPAGNOLO—CANADA GAMES COMMEMORATIVE BOOK—ALLEGED WASTEFULNESS

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, during the preliminary proceedings of this House today the hon. member for Winnipeg South Centre (Mr. McKenzie) raised the subject of the Canada Games Council commemorative book which renders the tenth anniversary of the Canada Games into a commemorative volume. In his remarks the hon. gentleman made a wrongful charge of wastefulness against me which I would like to have erased from the record of this House.

Because the invitation to which the hon. member referred was rather large, he felt that I had been wasteful in commissioning it. I would like this House and the people of Canada to know that there was an overrun of the covers of the books of the commemorative volume, and that overrun was used, in a very thrifty manner, to print the invitations to which the hon. member took exception. I therefore feel that he should commend the Canada Games Council for its thoughtfulness in saving money rather than condemn it.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, we have a question here of conflicts between different ministers. We have been receiving letters from the Minister of National Revenue and Minister of State for Small Business (Mr. Abbott) to the effect that the government is starting a program to cut down on the paper burden. I show you an example, Mr. Speaker, of what I received in my office telling me about cutting down the paper burden. Also, they sent out this document I am holding up to advise all of us to cut down on paper. Surely there is no need for anything of that size to be sent out. That will not even slip into a mail slot.

• (1510)

Some hon. Members: Oh, oh!

Mr. McKenzie: I wish the government would get its act together and cut down the paper burden.

Some hon. Members: Hear, hear!

Mr. Speaker: I think hon. members will recognize that this is more in the nature of a disagreement than a question of privilege.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 354, 432, 721, 728, 803, 808, 863, 869, 870, 872, 873, 874, 877, 878, 879 and 880.

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

[*Text*]

"ENTERPRISE 77"

Question No. 354—**Mr. Bawden:**

1. Was the Enterprise Project '77 reported in the 1976-77 annual report of the Department of Industry, Trade and Commerce and, if not, for what reason?

2. What was the original budget for the Project?

3. What was the actual cost of the Project including (a) employment of temporary staff in the absence of departmental officers (b) travel expense

accounts of departmental officers (c) publications (d) rental of premises for meetings, etc?

4. What benefits to industry and small business, in particular, were accomplished by the Project?

Mr. Bernard Loiselle (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

1. "Enterprise 77" is a program which commenced in fiscal year 1977-78.

2. $1,510,900.

3. Total cost for 1977-78 $1,441,182 which includes:

(a) $204,320;

(b) $401,056;

(c) $195,448;

(d) $ 5,195.

4. The benefits to industry and small business, in particular, accomplished by the Enterprise Canada '77 Project were:

1. A series of detailed reports on subjects, indicating businessmen's views regarding existing government programs and services useful as the basis of making changes.

2. Out of the findings, the Department of Industry, Trade and Commerce has:

(a) developed a business service centre and direct dial system for businessmen to get service regarding any problem they might have with the federal government maze.

(b) developed a business opportunities sourcing system which, when completed, will be a significant tool for the firm to identify potential sources of supply in Canada, as well as promote their own products to other firms;

(c) developed the office of the paper burden controller, with the comments of Canadian businessmen as the basis of action;

(d) provided a useful input for many of the recent policy formulations in support of small/medium business including some tax changes;

(e) caused a closer review of overlap in federal and provincial programs and services, still ongoing;

(f) affirmed the need to regionalize operations of the department to get closer to its clientele.

3. Other shorter term benefits to industry and small business, were:

(a) practical seminars to industry, where requested, on a variety of topics with significant business involvement, including: how to get through U.S. Customs; and select export market seminars;

(b) a better knowledge of federal and provincial programs and services including promulgation of some 35,000 copies of a book entitled "Canadian Federal Government Services to Business".

Order Paper Questions

OMBUDSMAN FOR TRANSPORT CANADA

Question No. 432—**Mr. MacKay:**

1. Was the recently appointed Ombudsman for Transport Canada granted a security clearance by the RCMP as required for the position and, if not, was such clearance denied on more than one occasion?

2. Did the RCMP object to her appointment and, if so, were such objections (a) disregarded (b) related to her contacts with foreign nations such as Poland or China?

3. What was the nature of her contacts, if any?

Hon. Otto E. Lang (Minister of Transport): Transport Canada advises as follows:

1. A person successful in a competition for the function of complaints and privacy co-ordinator for Transport Canada was granted the necessary security clearance for the position by the Deputy Minister of Transport, as prescribed under established security procedures, following consideration of information submitted by the RCMP.

2. Under the established security procedure, the RCMP is expected to provide factual information, not to state opinions or objections nor make recommendations.

(a) Not applicable;

(b) Not applicable.

3. Not applicable.

DVA—CHARLOTTETOWN, P.E.I.

Question No. 721—**Mr. McKenzie:**

1. Is a communications network to be built linking the Department of Veterans Affairs in Ottawa to its new offices in Charlottetown, Prince Edward Island and, if so, what is the estimated cost?

2. Is there possibility that new underwater telephone cable will have to be laid between P.E.I. and the mainland to handle communications between DVA in Ottawa and Charlottetown and, if so, at what cost?

3. What is the projected administrative cost increase as a result of the decentralization of the Department from Ottawa to Charlottetown?

4. Will veterans' personal files remain in Ottawa?

5. What is the expected staff requirements for the Ottawa Office following decentralization in the (a) first (b) second (c) third year?

6. What is the expected cost of rental of the communications system on an annual basis once the Charlottetown Office is fully operational?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. No. A communications network exists at present, and Veterans Affairs will avail themselves of it.

2. No. The Prince Edward Island Telephone Company has advised us that all telephone traffic between the island and the mainland is carried by microwave transmission facilities which they forecast will be adequate for the foreseeable future.

3. No administrative cost increase has been forecast as a result of the decentralization of Veterans Affairs from Ottawa to Charlottetown.

4. No. The veterans' files will be transferred to Prince Edward Island upon relocation.

5. The projected size of the small group of employees that will remain in Ottawa after relocation is as follows:

Order Paper Questions

First year	25
Second year	25
Third year	25

6. The expected cost of rental of the required number of telephone sets is forecast to be approximately the same as at present.

NFA-F-18L

Question No. 728—**Mr. McKinnon:**

In their final submission for the NFA contract, on what date did the manufacturers of the F-18L indicate that deliveries could begin?

Hon. Pierre De Bané (Minister of Supply and Services): In so far as the Department of Supply and Services is concerned: In March, 1982.

VETERANS AFFAIRS—N.B.

Question No. 803—**Mr. Howie:**

Have negotiations between the Department of Veterans Affairs and authorities in the Province of New Brunswick concluded in regards to the provision of nursing home beds for veterans in Northeast New Brunswick and, if so, what was the outcome of the negotiations?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): On October 16, 1978, the hon. Brenda Robertson, minister of health for the province of New Brunswick, and I, announced an agreement to provide approximately 60 nursing home beds for veterans in northern and eastern New Brunswick. Under the agreement these beds will be located in the Moncton and Campbellton regions. These facilities are expected to be available for use by veterans by April of 1979 or earlier. The Department of Veterans Affairs will continue to monitor nursing home needs for veterans throughout New Brunswick.

TRANSFER OF DVA HOSPITALS

Question No. 808—**Mr. McKenzie:**

1. How many beds were guaranteed to veterans under the agreement covering the transfer of the (a) Ste. Foy Hospital, Quebec City (b) Lancaster Hospital, St. John (c) Shaughnessy Hospital, Vancouver (d) Westminster Hospital, London (e) Camp Hill Hospital, Halifax (f) Queen Mary Hospital, Montreal to the provincial government?

2. In each case, how many of the beds were occupied by veterans on (a) January 1, 1977 (b) July 1, 1977 (c) January 1, 1978 (d) July 1, 1978 (e) October 1, 1978 and, how many were for (i) extended (ii) intermediate (iii) acute care?

3. (a) How many beds in reserve are retained under federal-provincial agreement to serve unexpected needs of veterans requiring acute care (b) have the required number of beds for acute care been available at all times or has the quota been breached in each case?

4. In each case, how many veterans were on the waiting lists for extended care space on the dates mentioned in Part 2?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Beds guaranteed to veterans under the transfer agreements specified are:

(a) Ste. Foy Hospital, Québec	150 beds
(b) Lancaster Hospital, St. John	200 beds
(c) Shaughnessy Hospital, Vancouver	870 beds
(d) Westminster Hospital, London	882 beds
(e) Camp Hill Hospital, Halifax	285 beds
(f) Queen Mary Hospital, Montreal	55 beds

2.

Ste. Foy Hospital, Quebec

	Acute	Extended	Intermediate and Personal Care	Total
Jan. 1, 1977	12	16	35	63
July 1, 1977	14	14	37	65
Jan. 1, 1978	10	15	36	61
July 1, 1978	10	18	37	65
Oct. 1, 1978	11	17	37	65

Lancaster Hospital, St. John

Jan. 1, 1977	17	5	77	99
July 1, 1977	13	1	93	107
Jan. 1, 1978	16	—	131	147
July 1, 1978	16	—	128	144
Oct. 1, 1978	17	2	124	143

Shaughnessy Hospital, Vancouver

Jan. 1, 1977	105	85	393	583
July 1, 1977	111	81	381	573
Jan. 1, 1978	117	92	373	582
July 1, 1978	103	86	370	559
Oct. 1, 1978	118	87	374	579

Westminster Hospital, London

	Acute	Psychiatric	Extended	Intermediate and Personal Care	Total
Jan. 1, 1977*	154	263	103	233	753
July 1, 1977*	127	253	99	233	712
Jan. 1, 1978	17	249	99	246	611
July 1, 1978	19	235	112	237	603
Oct. 1, 1978	20	229	98	240	587

Camp Hill Hospital, Halifax

Jan. 1, 1977*	66	143	2	211
July 1, 1977*	94	139	2	235
Jan. 1, 1978*	47	135	2	184
July 1, 1978	1	124	2	127
Oct. 1, 1978	1	127	2	130

Queen Mary Hospital, Montreal

Jan. 1, 1977*	150	—	—	150
July 1, 1977*	143	—	—	143
Jan. 1, 1978*	260	—	—	260
July 1, 1978	7	—	—	7
Oct. 1, 1978	5	—	—	5

* Prior to transfer

3. (a) Beds are not held "in reserve" under the federal-provincial transfer agreements to serve unexpected needs of veterans requiring acute care. The stipulation contained in the agreements with respect to acute care is that a veteran requiring treatment for his pensionable condition shall be admitted. If DVA were to insist on the beds being held in reserve, we would also have to pay the hospital for doing so. Instead, the province guarantees that the beds will be available on a priority use basis. Any of the beds not in use by veterans are available for use by the hospital for non-veterans. However, if all of the priority use beds are occupied and no appropriate bed is available for a veteran seeking treatment for his pensionable condition, then the first appropriate bed that becomes available shall be allocated for use by that veteran. Actual

admission to acute care beds is at the discretion of the hospital medical staff, however, the hospital may not refuse admission without first referring the case to a designated official of the department.

(b) To our knowledge the quota of acute care beds has not been breached in any transferred facility. Our experience has consistently been that the agreements provide more acute care beds than are required by veterans seeking treatment for their pensionable condition.

4. Waiting list numbers for the dates mentioned in (2) are not available. The following outlines the number of veterans awaiting admission for extended care as of December 1, 1978:

Ste. Foy Hospital, Quebec	10
Lancaster Hospital, St. John	None
Shaughnessy Hospital, Vancouver	13
Westminster Hospital, London	10
Camp Hill Hospital, Halifax	65 **
Queen Mary Hospital, Montreal	None

** One additional ward was recently opened, and as admissions occur the waiting list will be reduced considerably. As of December 21 the waiting list had been reduced to 25.

RESEARCH—STRATEGIC GRANTS PROGRAM

Question No. 863—**Mr. Howie:**

1. What areas of research now qualify for grants under the Natural Sciences and Engineering Councils Strategic Grants Programme?

2. Is consideration being given to expanding the scope of the programme in terms of subject areas of research and are any areas related to Forestry Research being considered?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of State for Science and Technology): In so far as Natural Sciences and Engineering Research Council Canada is concerned:

1. Energy, environmental toxicology, oceans.

2. In 1979-80, the following subject areas will be added: communications, food/agriculture.

Forestry research was considered for inclusion in the strategic grants program but was not retained. NSERC offers already a special program of assistance to forestry research.

SCIENTIFIC AND TECHNICAL INFORMATION PROGRAM

Question No. 869—**Mr. Howie:**

From June 1, 1978 to date, what amount was granted to businesses under the Scientific and Technical Information Programme to employ senior students in research and development programmes and what amount was granted to students in (a) New Brunswick (b) Nova Scotia (c) Prince Edward Island?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows: The amount from June 1 to December 22, 1978 in Canada is $219,750. Amount granted to (a) New Brunswick—$11,700; (b) Nova Scotia—$15,100; (c) P.E.I.—none.

Order Paper Questions

PERSONNEL AT NSERC

Question No. 870—**Mr. Howie:**

How many persons are employed by the Natural Science and Engineering Council?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of State for Science and Technology): In so far as Natural Sciences and Engineering Research Council Canada is concerned: 60.

INDUSTRIAL MATERIALS RESEARCH INSTITUTE—LOCATION

Question No. 872—**Mr. Howie:**

Where is the Industrial Materials Research Institute located and from whom does it rent space and what is the annual rental?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of State for Science and Technology): In so far as the National Research Council is concerned the reply is as follows: The Industrial Materials Research Institute is located at 1000 de Sérigny Street, Complexe Bienville, 6th Floor, Suite 640, Longueuil, Quebec. This space is rented by the Department of Public Works on NRC's behalf from "Coopération Première Québec". Annual rental is $10,547.16.

PERSONS EMPLOYED AT INDUSTRIAL MATERIALS RESEARCH INSTITUTE

Question No. 873—**Mr. Howie:**

How many persons are employed by the Industrial Materials Research Institute and what is the projected employment when it is to be in full operation?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows: As of December 31, 1978, three persons are employed by the institute. When the institute is in full operation, it is planned to have 200 persons working at the institute, of which approximately 120 would be NRC employees.

OPERATIONAL DATE—INDUSTRIAL MATERIALS RESEARCH INSTITUTE

Question No. 874—**Mr. Howie:**

On what date is the Industrial Materials Research Institute expected to be fully operational?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows: The building is expected to be completed by 1981 with full operation of the institute expected during fiscal year 1983-84.

INDUSTRY LABORATORY PROJECT

Question No. 877—**Mr. Howie:**

From April 1 to December 1, 1978, what amount was spent on the programme for industry laboratory projects?

Point of Order—Mr. Beatty

Mr. Pierre Bussières (Parliamentary Secretary to Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows: $2,983,815.

Question No. 878—**Mr. Howie:**

For the fiscal year 1977-78, what amount was spent on the programme for industry laboratory projects?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows: $4,438,093.

Question No. 879—**Mr. Howie:**

How many extra mural contracts were let for professional and special services under the programme for industry laboratory projects in the period April 1 to December 1, 1978?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of State for Science and Technology): In so far as the National Research Council is concerned, the answer is as follows: One extra mural contract was let for professional and special services in the period 1 April 1978 to 1 December 1978.

CO-OPERATIVE PROJECTS WITH INDUSTRY PROGRAM

Question No. 880—**Mr. Howie:**

From June 1, 1978 to date, what amount was spent under the Cooperative Projects with Industry Programme?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows: Nil.

* * *

[*English*]

POINT OF ORDER

MR. BEATTY—DELAY IN ANSWERING QUESTIONS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I should like to bring to the attention of the parliamentary secretary that yet for another day he has not answered a number of questions which I put on the order paper. I intend to remind him on a continuing basis of the fact that many of these questions require very simple information which could be very easily available if the parliamentary secretary would do his job. I should like to encourage him to get to work in providing answers to those questions.

Mr. Paproski: This is intentional neglect.

Mr. Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

[Mr. Howie.]

MOTIONS FOR PAPERS

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notices of motions for the production of papers Nos. 12 and 13.

[*Translation*]

REQUEST FOR COPY OF CORRESPONDENCE RELATED TO STUDY ON CLASSIFICATION OF CERTAIN JOBS

Motion No. 12—**Mr. Herbert:**

That an Order of the House do issue for a copy of approximately 1600 job studies in the construction trades across Canada prepared in order to update the *Canadian Classification and Dictionary of Occupants* and contracted to Southam Business Publications, Don Mills, Ontario.

Mr. Frank Maine (Parliamentary Secretary to Minister of Employment and Immigration): Unfortunately I cannot comply with that motion since the information on jobs we have asked the contractors to gather for those studies may, in many instances, be regarded as confidential by the businesses concerned. So that is why the businesses which provided the contractors with that information received from the former department of manpower and immigration the guarantee that the data provided would be confidential. Under those circumstances, it follows that we cannot table those studies in the House and I would therefore ask the hon. member to withdraw his motion.

Mr. Speaker: Transferred for debate.

[*English*]

Shall notice of motion No. 12 in the name of the hon. member for Vaudreuil (Mr. Herbert) be withdrawn?

Some hon. Members: Agreed.

Motion withdrawn.

CANADIAN COUNCIL OF CHRISTIANS AND JEWS

Motion No. 13—**Mr. Cossitt:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, telegrams and letters having to do with any negotiations between the Department of the Secretary of State and the Canadian Council of Christians and Jews for the years 1976, 1977 and 1978.

Mr. Robert Daudlin (Parliamentary Secretary to Secretary of State): Mr. Speaker, the correspondence and documents requested are voluminous and would be inordinately time consuming and costly to prepare. In view of the above information, I would ask the hon. member to withdraw his motion.

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, on behalf of the hon. member for Leeds (Mr. Cossitt) I would ask that the motion be transferred for debate, because I think there is a difference of opinion on this.

Mr. Speaker: Transferred for debate.

Mr. Pinard: Mr. Speaker, I ask that the remaining notices of motions for the production of papers be allowed to stand.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION ACT, 1978

DEPARTMENTS AND AGENCIES

The House resumed from Tuesday, January 23, consideration of the motion of Mr. MacEachen (for Mr. Trudeau) that Bill C-35, respecting the organization of the Government of Canada and matters related or incidental thereto, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, it is rather regrettable that this bill has taken the form in which it has been presented to the House. I think it would have been quite easy for the opposition to have assured the government that had this been presented as a simple bill to establish a minister of fisheries, such a bill could have received speedy consideration in the House and would have been subject to very little debate.

This House has been waiting some time for the opportunity to give serious consideration to some of the problems pertaining to the fishing industry, and while the Standing Committee on Fisheries and Forestry has met on occasions when it had to, it has also had to deal with other business pertaining to the multitude of facets of this government which the committee considered. It has therefore been virtually impossible to get an extended opportunity to question the minister in respect of the fishing industry per se. Therefore, it could have been a very welcome opportunity, had a bill establishing a minister of fisheries been presented to the committee, to have considered such a bill.

In view of the fact that we have a pot-pourri of legislation tucked into one cover which covers many facets of government reorganization and does not relate solely to fisheries, it has become, so far as I am concerned, a subject of debate both as it relates to fisheries and to forestry. It could have been much more conveniently and expeditiously handled had this bill not been a handful of bills under one cover. But this seems to be the path which the government has chosen to follow during the past ten years. It has defied the House of Commons and defied us in this bill, in the banking legislation and in a number of other instances, with the enumeration of which I will not bore this House.

In view of the fact that this bill is a whole package wrapped up in one cover, it makes it necessary that certain facets of the government and its policies related to both fisheries and forestry become a matter of debate in the House when they might very well have been debated in the committee very quickly without detriment to normal procedure in the House.

The government has been told repeatedly that this is the wrong method to obtain quick passage of both what they and we consider to be important and pertinent legislation, but it is indicative of the government's tendency and that of the Liberal party as a whole to be so sure of itself in power that it shall dictate to all those who participate in the House just how they want things to be done, without any consideration for other interested parties.

For that reason the bill has become an issue which will be debated to some extent. I should like to say to the hon. member for Humber-St. George's-St. Barbe (Mr. Faour), who has not been in the House very long, that when he referred to the hon. member for Hamilton West (Mr. Alexander) in his introductory speech on this bill as having nothing constructive to offer, he should have been aware of the fact that this party has shown historically that it has been constructive, that it has provided leadership, initiative and suggestions for improvement in policies both in the field of fisheries and forestry year after year. In fact, it was a Conservative government which established a department of forestry and a Liberal government which removed that department by amalgamating it with two others.

An hon. Member: Oh, oh!

Mr. McCain: Even though you, sir, have sat in this House longer than most of us, you show a greater misunderstanding on a daily basis of the responsibilities of this nation and its integral parts. Mr. Speaker, when the hon. member for Northumberland-Miramichi (Mr. Dionne) becomes so interested in his constituency and the salmon that swim there that he will speak in the House in a positive way, beseeching his government to bring in a proper surveillance system so that we may possibly have some salmon both for commercial and sports fishing, only then perhaps will he have the right to throw barbs at others. In view of the complaints I received, he received and the minister received respecting the surveillance procedures of the government, the hon. member should contain himself and his minor explosions until he can relate to the positive.

● (1520)

Mr. Dionne (Northumberland-Miramichi): That has nothing to do with forestry.

Mr. McCain: If the hon. member was concerned about the responsibilities of the province in a real and honest way, he would have long since spoken in the House against a taxation structure which was imposed upon resources, the property of the provinces. But like all other hon. members who can be whipped into subservience by the Liberal party, every Liberal member from New Brunswick supported a tax structure which made it very difficult for development to continue in natural resource industries. It was only at the urging of provincial governments and members of the opposition that forestry happened to be excluded as a resource for tax purposes from that legislation.

Mr. Dionne (Northumberland-Miramichi): Oh, oh!

Mr. McCain: Since the learned member is interested in these matters, no doubt we can anticipate a very strong speech on behalf of the protection of salmon, cost sharing for budworm spraying in New Brunswick, and a better developmental program for the resource industry in general in Atlantic Canada. When he makes such a speech, I will be very happy to hear his constructive interjections.

Mr. Dionne (Northumberland-Miramichi): Which government pays 80 per cent of forestry development?

Mr. McCain: Which government withdrew the cost-sharing program whereby the Government of Canada cost-shared with the industry and the government of New Brunswick in the budworm spraying program? The Liberal government withdrew from that program.

Mr. Dionne (Northumberland-Miramichi): Which government pays 80 per cent of forestry development?

Mr. McCain: The hon. member's question is born of ignorance. It depends on how much of the expenditure spent on behalf of forestry in New Brunswick he wishes to include in the total package. On individual agreements certain amounts are paid by the Government of Canada. In the total expenditures the Government of Canada does not pay 80 per cent of the money which is spent on behalf of forestry in the province of New Brunswick. I am sure the hon. member well knows that fact. Why has it been more difficult for New Brunswick to conclude certain arrangements with the government in developmental agreements?

Mr. Dionne (Northumberland-Miramichi): Oh, oh!

Mr. McCain: Of course, the answer is that the minister concerned insisted that the method of expenditures should pass over his desk, and he happened to be a minister from New Brunswick.

Mr. Dionne (Northumberland-Miramichi): Hear, hear!

Mr. McCain: I do not really object to interjections; I enjoy debate and argument. Perhaps Mr. Speaker can extend my time to compensate for the interjections of the hon. member, and then the hon. member can have all the time he requires. I enjoy debating with the hon. member.

To come back to the comments of the hon. member for Humber-St. George's -St. Barbe, it was a Conservative government which established the department of forestry. It was a Liberal government which made a conglomeration of environment, forestry and fisheries which did not work. It was a Conservative opposition which pleaded with the government to re-establish the department of forestry ever since it was abandoned, and to re-establish ever since it was abandoned the department of fisheries as a separate department. That is the prestige which the industry and management needs, and that is a constructive suggestion. It has been primarily through the committee work of the opposition that the Minister of Fisheries and the Environment (Mr. LeBlanc) was led to establish the various programs presently in place. We are still out in front.

As was mentioned by the hon. member for South Shore (Mr. Crouse), by fisheries ministers in the Atlantic provinces and by fishermen in their presentations to government, we need a fleet renewal program and do not have one. There is no means by which we can find the money to expand that fleet, even on a loan basis. We are out in front of the Grits and the Socialists in this regard; we have led them all the way.

The Minister of Fisheries and the Environment proposed to establish something similar to the Central Mortgage and Housing proposition. This was recommended by the hon. member for South Shore. So far it has not been established. The Minister of Fisheries and the Environment assured us that there would be plenty of money for subsidies, boat replacements and renewals. So far fishermen are not permitted to buy certain boats and the Central Mortgage and Housing type structure has not been established. Fishermen are sailing dangerous boats. They cannot afford to replace their boats under the present structure, particularly with 14 per cent, 15 per cent, 16 per cent and 17 per cent rates of interest they would be required to pay if they borrowed money through normal channels.

I suggest the hon. member for Humber-St. George's-St. Barbe should take a careful look at the record to see what his predecessor did and said on behalf of the fishing industry and the seal hunt. He should take a look at what the present minister of fisheries of Newfoundland said on behalf of the fishermen and what he proposed when he was a member of the House. Instead of criticizing what has not been put forward, perhaps the hon. member should criticize the government for what has not been adopted. That would be much more in line.

Because a former member of this House, the present minister of fisheries in Newfoundland, proposed a developmental program for Newfoundland, Atlantic Canada and fisheries, the Minister of Fisheries and the Environment and the Prime Minister (Mr. Trudeau) have scoffed and scorned at those suggestions. They even suggested that they knew nothing about the suggestions long after they had hit the press. Perhaps the hon. member for Humber-St. George's-St. Barbe would do a little reading of history and get his facts straight.

Another matter which continues to concern me is the fact that young people in Atlantic Canada cannot obtain fishing licences. There is no flexibility in the quotas allowed by the Minister of Fisheries and the Environment, and there is no opportunity for young people to become involved other than the hard way—by buying out someone else. The industry has survived ever since the earliest explorers arrived on the shores of this continent. It was based upon the belief that today a man could fish and retire so that tomorrow or the next day his son may take over; or that if a man worked in a crew on a fishing vessel and decided to purchase his own boat and become his own boss, a licence would be available.

I am aware that things have not always been as they are today. We were not always as conscious as we are today about

fish supply. Also I am aware that some of the requests for licences being made by inshore fishermen would be an inconsequential addition to the present catch. For the sake of providing young and interested people with opportunities to participate in the fishing industry, we require more leniency, flexibility and adjustability in the issuance of licences for fishing on the Atlantic coast. That is a must.

I have cited an example of a man who could become involved in the fishing industry only by purchasing a very old boat which perhaps was not quite safe to sail, yet certainly very expensive to maintain. Because of a regulatory stricture that a man must own a boat for five or six years before he can replace it, with or without assistance, subsidy or loan from the Government of Canada, that man cannot replace his boat even though he owns both the boat and has a licence. This is where we get into the problem of regulations and why we should not be governed by regulations in fisheries or in any other aspect of our society.

● (1530)

I am very much in sympathy with families who have historically fished and who, by virtue of circumstances beyond their control, have been compelled to leave the fishing industry for one, two, three, four, five or six years on some occasions. This may have been for reasons of health, for financial reasons or for family reasons. But whatever those reasons may have been, having left that industry that family can no longer make a re-entry even though the personal circumstances may have changed. Further consideration should be given to these things and I trust that the minister will soften his program.

Once again I make a public appeal to the minister to undertake a surveillance program in the lobster and salmon fisheries that will be effective, particularly in the Atlantic area. We cannot and never will have a commercial fishing industry in Atlantic Canada with the importance it once had as long as poaching goes on at the rate reported today. This is something upon which Statistics Canada does not give us figures. It is rather unfortunate that it does not, but this is something that goes under the table rather than above the table. This does not come under regulation and cannot seem to be regulated or controlled by the government in any way.

The consequences of our lack of surveillance was made perfectly clear to an interparliamentary committee which went to Europe. While we have complained in Canada about the overfishing of salmon on the high seas, the members of that interparliamentary committee which went from this place to visit with members of parliament in Europe were assured by those members of parliament that in no way were they even going to consider negotiation on the fishing of salmon on the high seas until Canada introduced an effective surveillance program of its immediate offshore and freshwater streams.

These are items which I think are of major importance and which the committee should have had an opportunity to discuss. Instead of this bill going to the Standing Committee on Fisheries and Forestry, the original suggestion was that it should go to the Standing Committee on Miscellaneous Estimates. That would not give a fisherman much chance to present his point of view or to promote the best interests of the fishing industry. Where it may end up now I am not sure.

The hon. member for South Shore has handled matters pertaining to the fishing industry much better than I am capable of doing because he has fished, and that gives him an expertise which none of the rest of us could possibly posses. However, there are a few things about the bill I wish to mention. The first I should like to refer to is this wrap-up clause 33 which provides for certain possibilities in respect of the transition of duties, responsibilities and functions.

What disturbs me is that this bill has not properly defined all of the fields in which the minister may function. By virtue of the fact that this has not been done, there appears a phrase at the end of the bill in clause 33 which states what shall be done by the deputy minister of fisheries and oceans. Let me quote from line 19 as follows:

> —or the appropriate officer of the department of fisheries and oceans, as the case may be, unless the governor in council by order designates another minister, deputy minister or officer of a department or a portion of the Public Service of Canada to exercise such power, duty or function.

I deplore that clause in this bill as it introduces the usual uncertainty which applies to any piece of legislation this government introduces. While it is not the regulatory basket clause that is usually there, it does leave a degree of flexibility for government movement after the establishment of a ministry of fisheries, a degree of flexibility which I fear. I do not know what authority they may give or take from him because of the flexibility there.

One of the great weaknesses of the Department of Fisheries being with the Department of the Environment was that there was no such thing as a deputy minister of fisheries per se throughout most of the period of this combination of responsibilities. Too often the result was that, since there was a deputy minister of the Department of the Environment, that deputy minister was environmentally oriented. I have no quarrel with any man choosing his profession or choosing his items and the order of priorities which those items are given in his own mind. What I do quarrel with, and what I did quarrel with under the old structure, is that there being no equal of a deputy minister on behalf of fisheries the Department of the Environment imposed regulations upon fisheries which were unnecessary and burdensome to that industry.

We now find that the department of forestry is to be put in exactly the same position. That department will find itself combined with environment. I see in this bill no assurance that there will be a deputy minister of forests who will in fact be responsible for forests, who will be able to speak with equal weight with anybody in his department on behalf of forests. I wonder whether this department will now become subject to the selections of attention it may get when the minister appoints a deputy minister of environment. I fear this and I suggest to the government that there should be within the department an equal spokesman for forests as well as for the environment. Those two voices could then be heard in balance, at least, and would not be too far down the line to be listened

to by the minister. They would have direct access to the minister on an equal footing.

There are times of conflict between the environment and the forests, and I suppose New Brunswick is a prime example of that conflict when we talk about budworm spraying. Environmentalists speak with one voice and those who favour protection of the forests speak with another. Unless those two voices are heard on an equal basis by a single minister of a department here in Ottawa, the interests of the environmentalists may prevail rather than the interests of the forests.

As we listened to the Minister of State (Environment) (Mr. Marchand) yesterday we were concerned by the suggestion in his remarks that we have increased the number of people at Petawawa. This statement on its own suggests to those who may have heard the news or read the speech, without full knowledge of what is going on, that the research station at Petawawa will in fact be doing more research in the same field it has historically done that research than before.

The minister went on to say the government had accepted some of the suggestions of the Conservative party with regard to cutting government spending. He did not go on to say that the Conservative party had suggested, and has done so since I have been associated with this party, that research was a foundation and an investment in a better future. At no time and in no way has any Conservative in this House suggested that we make savings in respect of research unless such research can be proven to be wasteful. Certainly there is no proof that any research done at Petawawa, or any other research establishment, has been wasteful. We, therefore, never recommended cuts in respect of research.

It is for that reason that I wish to draw to the attention of the minister the suggestion that Petawawa will become one of the foremost research establishments in the country. It has long been recognized as *the* research establishment of Canada, but now it is to be downgraded, regardless of what the minister has said.

There have been many representations made to the minister in this regard. I for one have consistently suggested there should be more research in respect of the budworm situation. I wish to quote from the report of the Standing Committee on Fisheries and Forestry proceedings at page 2:15, November 28, 1978. I asked this question of the witnesses of the day and the minister:

—I would like to ask the minister if the department has undertaken an assessment of what would have happened to the forests of New Brunswick if there had been no budworm sprayings since 1952?

The minister's reply was as follows:

I read some reports, Mr. Chairman, and as I recall the conclusion was that if the province of New Brunswick did not spray, they probably would have lost all their forest.

I would qualify that by saying that we were talking at that time of the coniferous forests and not the deciduous forests of New Brunswick. I quoted that to show my support for research in depth in respect of forests. This problem has existed for approximately 30 years. It was first attended to by spraying in 1952, some 27 years ago as of this year. Research has not been adequate enough to find any way or means of controlling that problem other than by spraying. I do not quarrel with the research effort that has taken place with respect to this subject. I do quarrel with the idea that any forest research be reduced in view of the need for that particular item.

● (1540)

I would like to draw to hon. members' attention the statement made by the hon. member for South Shore which is in the same report of the fisheries and forestry committee dated November 28, 1978. At page 2:24 the hon. member said:

The forest industry in Canada already generates one million jobs, $6 billion in foreign trade and $2 billion in federal and provincial taxes annually. Trade figures indicate that Canada's more favourable balance of payments situation in recent months is due largely to our forestry sector—

I might add to that that the minister who was present at that time corrected the hon. member on page 2:25 of the same report, and said:

It is higher than that, it is about $7.5 billion.

He was referring to the balance of trade which was generated by the forest industry. When we become penny wise and pound foolish with the reduction of research in an industry which is generating $7.5 billion in favourable trade balance, I think we are taking the wrong direction.

We have had conflicting reports from different sources as to its impact. A news release, which does not seem to have a date on it but is headed up "The Minister of Environment Canada", reads:

The goal of achieving more for less will, in this case, be accomplished by consolidateding the work of the Forest Fire Research Institute and the Forest Management Institute, both now located in Ottawa.

I quote again from page 2 of that release, which reads:

After consolidation, the staff of Petawawa will be increased from 78 to over 100. The station will have a budget of $3.5 million. As many as 60 employees of the Ottawa institutes will move to Petawawa. About 50-70 employees both Ottawa and Petawawa will, however, still have to be laid off to achieve the required budget reductions.

If one talks to researchers in the forest industry and asks them when we are going to get results or when they will know what they have accomplished, those researchers will probably say that it may be up to 100 years before the work which they started today will have a known result, in a positive or negative way, for the forest industry. The work which was done at Petawawa, however, and which has been done there for over 60 years, is to be cut back. This means that many of the projects which were started ten to 50 years ago have not yet been brought to a conclusion. The results are not known. Therefore, any cutback in the staff of that research station will result in the frustration of up to 60 years of work on certain projects.

That is not the worst of it. We in our society today are making use of our forests in a way which has never been done before. We are now demanding of our forest soil that it produce a crop on a regular, annual basis. The soil has never had to do that before. If the budworms were to remove an area of coniferous forest from the land, it was of no particular

consequence at one time; but if the budworm was to remove an area of forest today, then there would be no jobs tomorrow.

We then come to the problem of how to control our forest industry and its regeneration, what research do we have to direct us as to what trees should be planted and where, according to our reforestation program, which is so necessary to the continuing crop structure required for employment in Canada north and east of the St. Lawrence. Most of that forest is being cropped to the limit of its productive capacity. We must have that research. Therefore, any cutback in that area is detrimental to the long-term, best interests of the industry. It is necessary to know what will grow best on what soil, for example, in New Brunswick, in eastern Quebec and in Nova Scotia.

The government of Nova Scotia undertook a study in a certain area of that province whereby they analysed the soil required for the trees. That study recommended what trees should be grown in what particular region of the province, outlined the number of cords or cubic feet of wood that could be grown per acre in each region, and which regions were not worthy of reforestation or even of consideration in a remunerative way to the forest industry.

This is the kind of work which was being done in Petawawa. This cutback, however, is taking place in spite of the fact that a news release has come out from the Department of the Environment headed, "Lost in the Woods, a Circular Dilemma". It asks why it is that Canada's share of world export markets for forest products has decreased form 31 per cent to 19 per cent in the last 20 years, while the U.S. share has increased from less than 9 per cent to more than 12 per cent. It seems we are going in the opposite direction with a smaller population and with more wood. The news release also asks why the general productivity in the wood products industry in Canada is 15 per cent less than in the U.S., and why it is that Canada with a forest industry that provides direct and indirect employment for nearly one million people, and that contributes almost one-fifth of the nation's exports, finds itself with serious problems emerging with regard to economic supplies of timber. Another pertinent question it asks is why it is that competing products are making inroads into traditional wood markets despite the relatively low energy requirement to process trees into products and despite the potential for industrial self-sufficiency in energy through residue utilization.

● (1550)

The news release goes on to ask why it is that Denmark, a country nearly devoid of timber, uses more wood in public and industrial buildings than we do in Canada. Why is it that building code developments for wood systems lag behind those for alternative materials? It further asks why it is that federally funded research and development at forest product laboratories is about $14 million in the United States and only $7 million in Canada.

All these questions are being asked in light of the fact that we are now cutting back on research in forestry and putting forestry into a secondary position in a department coupled with environment. These questions are coming from Environment Canada, Mr. Speaker. I could go on to cite a multitude of such questions but I should like to skip ahead to the end of this news release which states:

> All of this in spite of the fact that . . . Hon. Judd Buchanan, Minister of State for Science and Technology announced in parliament in June an ambitious program leading to a national goal to increase R&D in Canada from its present 0.92 per cent (less than half that of Germany, Netherlands, France or U.S.) of gross domestic product to 1.5 per cent by 1983.
>
> Hon. Len Marchand, Minister of State for the Environment, and minister responsible for the Canadian Forestry Service, pledged in a Vancouver speech before the Canadian Institute of Forestry last December:
>
> > "I want to assure you now that I have no intention of downplaying the role of the Canadian Forestry Service. If economic restraints make further cuts in my department necessary, I intend to make sure that the Canadian Forestry Service does not suffer. I want to see its role enhanced, in recognition of the high priority I place on the Canadian forest resources."

I should now like to read a portion of a letter written to me by the Public Service Alliance of Canada relating to Petawawa. The relevant portion is as follows:

> However, the government still insists on the same $1.5 million cut and the same 70 to 80 people lay-off. With our friends in the Canadian Forestry Service, we now continue our fight to save the government forest research. We hope all our political friends will take up this fight in the House of Commons.

Perhaps that is one of the presentations which were made to the minister and to which he referred.

One of the reasons why an element of the Petawawa operation was saved may have been a telex sent to the Prime Minister by Dean V. J. Nordin, president of the Association of University Forestry Schools of Canada, on September 18, 1978, which reads as follows:

> On behalf of all schools of forestry in Canada at the universities of B.C., Alberta, Lakehead, Toronto, Laval, and New Brunswick, I view with deep concern the catastrophic implications for Canadian forestry that will result from reductions announced recently by the federal government. The heads of forestry schools met with the honourable Len Marchand last June 21 and the minister said that he would resist any further damaging reductions to an already depleted and demoralized Canadian forestry service. Unless these new reductions are reviewed and changed there will be enormous and irreparable injury to Canadian forestry. Supporting details follow by letter.

The letter at great length lays clearly on the line to the Prime Minister what the consequences of the reduction will be. Each of the three departments of research which are now located in Petawawa has been effectively emasculated; each of the three research departments has had reductions in personnel and is no longer as effective or as productive as it would otherwise have been. Valuable research personnel have been irretrievably lost.

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

Mr. Hugh A. Anderson (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am very pleased to take a few minutes to participate in this bill on government organization. I should like to comment on some statements made yesterday, first of all by the hon. member for Esquimalt-Saanich (Mr. Munro) who spoke rather in motherhood terms of his support for the gillnetters

and trollers of British Columbia. He pointed to a problem brought up recently when the regional office of the Department of Fisheries and the Environment announced that the 150 fathom fishing by the gillnetters in the herring season would be reduced to 50 fathom one net, rather than two nets. The hon. member did not say whether he was in favour of one net or two nets but merely said this was proof that the government was attacking small businessmen. This is nonsense, Mr. Speaker. The only reason I bring it up is to show the difference between responsible representation and non-responsible representation. Motherhood phrases do very little to assist fishermen faced with a problem.

I should like to point out, Mr. Speaker, that the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo), who is from Skeena, the hon. member for Coast Chilcotin (Mr. Pearsall) and I met with the Minister of Fisheries and the Environment (Mr. LeBlanc) when this matter was brought to our attention. We pointed out that changes in regulations regarding the herring catch several weeks before the season was to start was very unfair regardless of whether the 50 fathom net is more desirable from a conservation point of view. Before the season begins the gillnetters have purchased their equipment and nets on the basis of existing regulations.

We also pointed out that by reducing the number of nets from two to one, approximately 1,000 people in the fishing industry in British Columbia would be laid off and that, of course, is not desirable. We asked the minister to have discussions on this subject with the fishermen concerned before the regulations were brought in.

I am pleased to report, Mr. Speaker, that today the minister informed us that the director general of the regional office in Vancouver will call a press conference at two o'clock this afternoon regarding the gillnetters. I am sure the recommendations made by the members from British Columbia on this side of the House to the effect that there should be a one-year period for discussion will be taken into account. Certainly not enough time is being allowed to make decisions just before the herring season begins. I understand the minister has accepted the recommendation and I trust a solution to the problem will be found.

Approximately one year ago there was a debate in this House on the question of forming a separate ministry of fisheries. Shortly after that the minister was able to announce that a ministry of fisheries and the oceans would be established. That has a nice ring to it, Mr. Speaker. This finally takes into account the fact that we in Canada have expanded our coastline and that the amount of territory we govern is literally hundreds of thousands of miles with the introduction of the 200-mile limit which was brought in by a Liberal government and the Minister of Fisheries and the Environment.

It gives me some concern, Mr. Speaker, after having established the 200-mile economic zone, which we all agree will benefit the people of Canada, especially in the maritimes and along the west coast—

Mr. McGrath: And Newfoundland.

[Mr. Anderson.]

Mr. Anderson: —to hear that the official opposition is now apparently attempting to balkanize the fishing industry in Canada by turning over jurisdiction which they have supported and increasing the role of the Ministry of Fisheries. They now say that if elected they would take power away from the Ministry of Fisheries and distribute it among the provinces concerned. Instead of talking platitudes about what we have done right or wrong, I would like someone from the opposition to state in this House whether they wish to balkanize the fishing industry in Canada and establish the same sort of regime as that established in the United States of America which has experienced disastrous results. Those of you who have followed the course of fishery policy in the United States I am sure are aware that states have jurisdiction out to 12 miles, the federal government has jurisdiction from the 12-mile limit to 200 miles. But there is a third area of legislation, that of regional councils.

● (1600)

We talk about a fishing war with the United States. There is no doubt in my mind that we got into the situation because the United States, through its three arms of jurisdiction, could not make up its mind as to what it wanted. Signing an agreement with the United States at the present time is very chancy business due to the fact that we are dealing basically with three separate levels of government.

Having said that, I am amazed to learn that apparently a plank of the Progressive Conservative Party of Canada, if they are put into power, is to turn over the duties of the Minister of Fisheries to the premiers of the provinces in the Atlantic Region so they could have their own fish war. As I said, they would balkanize the fishing industry and I am sure we would have exactly the same results as those that have occurred in the United States, namely a lack of central power to make decisions on behalf of fishermen in general rather than having the proposal which has come forward, and that we would have our own wars among the provinces. I hope that someone from the official opposition will bring up that subject today because I think it is very important. There is no point establishing a fisheries portfolio giving the minister broad powers if at the same time the Conservative party wishes to disband it as soon as they are elected.

There is no question in mind, Mr. Speaker, that since 1974 a revolution has occurred regarding the fisheries industry of Canada. Many of us will recall that prior to the 1974 election a meeting was held in Caracas, Venezuela, which was really the forerunner of the Law of the Sea process that has allowed us to go forward to 1978, when many of the coastal states have achieved sovereignty over the waters adjacent to them through the 200-mile economic zone.

Fishermen from British Columbia have asked me why we had not gone into massive hatchery programs prior to the proclamation of the 200-mile economic zone. They have asked why the government has been slow to meet the needs of fishermen in British Columbia. Let us make it very clear in the House that it would have been very foolish, before we had

obtained sovereignty over our coastal waters, to have spent hundreds of millions of dollars for the benefit of distant water fishing fleets to harvest a resource that is costing Canada literally millions of dollars. It would have been utter foolishness to have money spent by the people of Canada for the benefit of distant water fishing fleets.

I believe very strongly that the policy that has been carried out by this minister has been correct, first of all establishing sovereignty over coastal waters and ensuring that money spent by the people of Canada for the enhancement of fish stocks will benefit the people of Canada rather than other nations with distant water fishing fleets. In that regard I totally agree with the minister.

Yesterday the hon. member for South Shore (Mr. Crouse) made reference to a statement apparently originating from the Fisheries Council of Canada to the effect that the minister should resign his portfolio. However, the hon. member for South Shore did not mention that while some leaders of the fishing industry demanded the removal of the minister last fall, Richard Cashin, president of the Newfoundland Fishermen's Union, sent a protest to the Prime Minister (Mr. Trudeau). If I may quote from that protest, it reads:

> Roméo LeBlanc has established himself in the eyes of fishermen of Newfoundland and I believe all over eastern Canada as no other fishery minister has probably since confederation.
>
> There are many important policy areas where LeBlanc is moving in the right direction and this is a critical period for fishermen. Sincerely hope you will see fit to keep him in fishery.

I would like to pose a question. When was the last time, Mr. Speaker, that you heard of a labour leader springing to the defence of a Liberal cabinet leader? It does not happen very often. As I said, a revolution has occurred in Canada since the 1974 meeting of the Law of the Sea in Caracas, Venezuela.

I believe we have done a very poor job of giving credit for that revolution to the members of the Canadian delegation who so ably represented us in Geneva, New York and Caracas. I am referring to people such as Allan Beesley, head of the Canadian delegation, Len Legault, Dr. Crosby and Dr. Needler, who recently retired. I say this because we as politicians like to take credit for things that are done on behalf of the Government of Canada, but sometimes we do not realize the importance of people like Allan Beesley and Dr. Needler. Anyone who has paid close attention to the Law of the Sea Conference realizes that Canada has played a role in that conference disproportionate to our population and to the power we have as an international force. It goes without saying that Canada has been the glue that has held the Law of the Sea Conference together and many of the proposals that are coming forward regarding the oceans and deep seabed mining are proposals which have been brought forward by the Government of Canada through its very able representatives.

I would like to use these few minutes to state publicly that the Canadian people owe a great deal to these negotiators. In addition to that I would like to say that the Law of the Sea Conference owes a great deal to Canada. It is my sincere opinion that this particular conference would have disbanded years ago if there had not been someone who could have talked to all parties involved and attempted to find a common ground to continue negotiations.

We talk about the structure of setting up a department of fisheries and the oceans. In a similar debate a year ago I said that we should have a separate department recognizing the fact that the Department of Fisheries, along with its minister, is an area with great potential growth. I am sure that the Minister of Fisheries is on occasion frustrated because he knows that there is probably greater potential growth in his department than in any other area. He has one of the lowest budgets. I am sure that if some of us had our way we would have greater input of money into the Department of Fisheries, perhaps coming from some of the non-productive departments to what is a growth department.

I do not believe there is any doubt either in the minister's mind or in my mind that, as we use land masses to their full potential in providing food for an ever increasing world population, at some point in the future the world will have to turn to the oceans as a source of nourishment. If one is mercenary, one would have to say that those engaged in the fishing industry and related aquaculture industries in Canada have the greatest potential for growth, if only because distant foreign fishing fleets can no longer supply their people with fish they normally catch off the coasts of Canada, the United States and South America.

● (1610)

We in western Canada are seeing the results of the 200-mile economic zone. Take, for example, the herring industry, one in which few people wanted to participate until a few years ago because they could not earn enough money to make it worth while. Most of the catch was ground up for fertilizer or made into cat and dog food. It was used for every purpose except feeding people. There was no other market for it. Today, because of the 200-mile zone, the situation has changed. This year the herring roe fishery in British Columbia will be a $100 million industry. This sum will go into the pockets of fishermen, processors and others in the Pacific region, though a few years ago the commercial returns from this product were so negligible that no one talked about them. Where is the herring going? It is going to the Japanese who are no longer able to harvest this species in Canadian waters or other waters they have traditionally fished.

I certainly bear no malice toward Japan or any other country, but for the first time in the history of the fishing industry we have been able to establish sovereignty over waters which are adjacent to Canada, and as a result we are now seeing a breakthrough of tremendous importance. We shall be able not only to harvest but to manage these resources on a sustained yield basis. This will prove to be better for the countries purchasing fish from us because hitherto there had been a rape of the ocean's resources. It was like a piece of agricultural land that nobody owned and everyone could try to profit from. We now have under our control resource management programs which will benefit not only the people of Canada, fishermen in particular, but countries all over the

world which cannot grow sufficient food on their own land and which have to rely on the fisheries for sustenance. They will now have a constant supply available to them.

The breakthrough I am talking about extends not only to herring roe and salmon. For the first time we are seeing the development of new possibilities. In British Columbia, dogfish are the bane of commercial fishermen because they tear up the nets and are, in general, of no use to our fleet. Today, though, a market has been found for them in Europe and catching them is a profitable undertaking. This new market will provide our fishermen with additional income while ridding the sea of a species which is damaging to salmon stocks as well as to the nets of commercial operators.

Account should also be taken of the fact that, as a result of the negotiations now taking place with the United States, we are able to exploit groundfish for the benefit of our own fishermen whereas formerly the greatest benefit was allowed to go to the American groundfish producers in return for benefits received by our halibut fishermen. There are problems, of course, as there are in any organization, whether it be the Department of Fisheries or any other department of government, federal or provincial. For instance, we all know that the number of personnel engaged in fisheries patrol should be increased. I believe the minister would agree with this assertion and if further funds were available to him I am sure this could be one of his priorities.

The minister is also aware that the hatcheries being constructed in British Columbia at the present time and those which are yet to be constructed under our salmon enhancement program require a reservoir of experienced staff. These people will have to be engaged full time. Under our present system it is likely that only the hatchery manager and his assistant are full-time employees; the rest of the staff is engaged as casual labour. If we are to train future hatchery workers to replace those who retire as time goes on, we must ensure there is a pool of experienced staff to make sure that the program is utilized to best advantage. I hope the funds will be forthcoming to enable the minister to do some of these things which both he and I recognize as needing attention.

I suppose I should mention that under the present Minister of Fisheries we on the west coast are undertaking the most ambitious fisheries program since confederation. I would be remiss if I failed to congratulate the minister on his ability, in a time of restraint, to secure approval of his cabinet colleagues to a salmon enhancement program which over a five-year period will spend $150 million on increasing salmon stocks in British Columbia.

Some hon. Members: Hear, hear!

Mr. Anderson: Perhaps what is not as well known is the fact that we are not embarking upon a five-year program per se, so that at the end of five years the Government of Canada will say: having now spent $150 million we are going out of the enhancement program. The minister has made it very clear that after an initial five-year period, which has already been extended to seven years, an evaluation will be carried out to ascertain the value obtained for the money spent and to determine what enhancement had taken place during that period.

He has further undertaken that if this party continues to form the Government of Canada we would embark on a further ten-year program in addition to the original five extended to seven. If I am not mistaken, the minister said we would be spending in the neighbourhood of $30 million to $60 million over a ten-year period. This would make the salmon program in British Columbia the largest federal program initiated since confederation. That is a program of the present federal government and is certainly a credit to the Minister of Fisheries who, in our opinion, has done more for the province of British Columbia than any other minister since confederation.

It may seem an odd thing for a member from British Columbia to compliment a minister from New Brunswick; I suppose there is always a tendency for a minister representing a region which is adjacent to the Atlantic to give preference to his own area, especially when our west coast fishermen have, generally speaking, a higher income than fishermen on the east coast. The fact that the minister seized an opportunity to put his money where his mouth is and supported members from British Columbia in a huge program which could cost $500 million or $600 million over a 15-year program says a great deal about the impartiality of that minister.

● (1620)

When the eastern fishery gets its act together, I hope that the same minister will be able to announce an enhancement program for Atlantic salmon. That would benefit the people of the maritimes in the same way the enhancement program in British Columbia will benefit the fishermen and the people of British Columbia and ultimately the people of Canada. There is a tremendous challenge facing the new minister of fisheries and oceans. What has not been said enough is that there are very difficult days ahead.

Mr. Alexander: Not when we take over.

Mr. Anderson: I think we on the west coast are aware of that. I see that the hon. member for Hamilton West (Mr. Alexander), who led off the debate on behalf of the official opposition, is here.

Mrs. Campagnolo: A noted fisherman.

Mr. Anderson: I understand that he is very interested in the Hamilton Harbour Commission and derives his fishery experience from that particular harbour. I think the hon. member was fishing yesterday for things other than what we are discussing. I am very sorry to hear that his health has not improved, and on behalf of hon. members on this side of the House I extend best wishes and trust that his health will improve in time for the next election. I think the hon. member will need the best health possible if he is to remain in this House.

Mr. Alexander: Your days are numbered, sir.

Mr. Anderson: I have tried to outline the importance of the proposed ministry of fisheries and oceans, the fact that the fishing industry will be one of the great growth areas in Canada over the next decade and the fact that we require a strong minister with strong powers in order to deal with many matters, including relations with the United States. I hope those hon. members opposite who have stated that, if elected, they would have these powers shorn of the minister and given to the provinces will reconsider, in light of the decision of the United States. I would be very pleased to hear comments from hon. members opposite on this subject because apparently only in the maritimes and very seldom here in Ottawa do we hear what they would do with respect to the powers of a federal minister of fisheries if the people of Canada were to elect them.

I must say that that prospect chokes my throat. However, if a catastrophe of that kind should occur, I should certainly have liked to have heard their proposals stated in the House of Commons prior to the election. They should not be stated on friendly maritime ground, but here. We should be told whether the Conservative party would decentralize fisheries authority to the extent indicated by press reports from the maritimes. I think it is very important, when we are talking about the unity of the country, to hear whether the official opposition intends to speak for the people of Canada or for the provinces of Canada.

The leader of our party—

Mr. Alexander: Who has destroyed the country.

Mr. Anderson: —has made it abundantly clear that he would not be disposed to speaking for the provinces because he represents the people of Canada.

Mr. Hnatyshyn: The man is a menace.

Mr. Crouse: Mr. Speaker, I rise on a point of order. I am sure the hon. member for Comox-Alberni (Mr. Anderson) would not intentionally mislead this House.

Mr. Anderson: Of course not.

Mr. Crouse: He might well do that due to lack of knowledge or stupidity, but I would not accuse him of doing it intentionally. He has charged that members of the official opposition would balkanize the Department of Fisheries—

The Acting Speaker (Mr. Ethier): Order, please. I fail to recognize a point of order in the hon. member's remarks. Perhaps the hon. member wants to refuse some remarks made by a previous speaker, and perhaps that opportunity should be given to him when he is recognized or has the floor, but I fail to recognize a point of order.

Mr. Crouse: Mr. Speaker, I am rising under Standing Order 37, which gives me the right, if I am misquoted or misunderstood, to explain my position. Having been asked by the hon. member for Comox-Alberni to define our position, I would like to do that now under the provisions of Standing Order 37.

The hon. member stated that we would balkanize the fishing industry and put the responsibilities of the department into the hands of the provinces. At no time did I as my party's spokesman on fisheries matters ever make that statement, nor did any members of my party put that position on the record.

So that the hon. member will know and not misquote us, we firmly believe that responsibility for the regulation of fisheries is vested in the federal minister of fisheries. We have never said otherwise, and I hope that the hon. member for Comox-Alberni will apologize to the House or correct his statement so that he is not on record as misleading the House.

Mr. Anderson: Mr. Speaker, on the same point of order, I certainly would not want to mislead this House. I was referring to comments made by the Leader of the Opposition (Mr. Clark) when he was in the maritimes recently. He indicated that he believed very strongly that the resources of the provinces should be managed by the provinces. If, as the hon. member says, I have misled the House, it was an unintentional mistake. My information is that the provincial governments—and if the hon. member wants me to, I can quote the provincial governments—have indicated very strongly that they consider the fisheries to be provincial resources and that the Leader of the Opposition has said that those resources should be in provincial hands. If I am mistaken, I apologize to the House.

Mr. Hnatyshyn: Then sit down.

Mr. Alexander: We accept your apology.

Mr. Anderson: I am not quoting from a text used by the Leader of the Opposition; I am merely referring to comments he made. If I am taking them out of context, I certainly apologize to the official opposition.

Mr. Alexander: You are a gentleman, and we accept your apology.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, after being present at the adjournment of this session for the Christmas holidays when everything was so urgent that the government had threatened to make us sit day and night and, having failed, had to impose closure to have the House pass quickly some bills which should have been introduced at the beginning of the session but which for lack of planification are always deferred to the last days before an adjournment or a prorogation, I wish to draw the attention of the House on that unfair procedure, but this government is not alone because all other previous governments have done the same thing, a proof that the *status quo* is always acceptable in this parliament.

I do not know whether the government considers a session as a political race to be won and feels that it has to hide its cards, keeping some surprises till the end, or whether it is so devoid of imagination at the beginning of a session that it is unable to introduce any specific basic issue which would enable the House to launch serious and productive debates, but it is

always the same thing. The first bill with which we are dealing today is an indisputable proof of that never-ceasing repetition of the procedure used in previous years.

• (1630)

Whoever reads Bill C-35, respecting the organization of the Government of Canada and matters related or incidental thereto, gets the impression that the officials responsible for drafting this bill have not yet recovered from the lethargy of the festive season. In fact, for the past few years and especially last summer, when there were strong rumours of election, the present government intended to establish a department of fisheries separate from the department of environment. Finally, today, although it is a bit late since it is about to go to the people, the government introduces this bill as the first and main subject for debate. Some would say that we are nearing election time. Such a legislation is certainly a sign that we shall have an election within the next few months, as surely as a cloudy sky announces a rainfall.

Which serves to confirm what we the members of the Social Credit Party of Canada have always claimed, namely that the old parties always administer the country with an eye on the electorate, to gain votes so to speak, without giving much consideration to the nation's welfare. To make a long story short, why did the government not keep the name of the fisheries department and simply add the name of oceans, since this is particularly the same bill amended by the same minister, perhaps with a new dressing? For the public servants, of course, it is a question of doing something new, of hiring more people and of getting a larger budget.

Mr. Speaker, even though the present government would have us believe that the numerous subjects dealt with in Bill C-35 amount only to a bunch of administrative details, because that is its intention in introducing that package deal, I would like to try to clarify some very important points which are covered in that bill concerning areas such as fisheries, environment, research and development, and changes in electoral constituencies. So, for the benefit of the public, I will try to make clear what the civil servants have taken so much time to make obscure.

First of all, I would like to remind hon. members that the establishment of the department of fisheries and oceans as a separate entity from the Department of Environment is an electoral promise which goes back more than four years. If we consider the whole question of the development of our underwater natural resources as well as the question of the extension of our territorial limit to 200 miles from our coasts, I think that the new department of fisheries and oceans will have a very important role to play in the future, so much so that its establishment, its duties and responsibilities should have come under a separate bill instead of being just a part of a pre-election omnibus package which is introduced and passed with great pressure to the prejudice of all Canadians. From the point of view of the procedure, Mr. Speaker, this bill is abominable if we consider that part I deals with the establishment of the new department of fisheries and oceans and that it is only at the very end of the bill, more precisely in part IX, after having heard about the public service, the electoral legislation, research councils and parliamentary secretaries, that at last we can learn how that new department is going to be financed. There are two important changes in part II of the bill. First the fisheries and oceans research advisory council is substituted for the fisheries research board.

Mr. Speaker, I would like to draw the attention of the House to the fact that in addition to changing the name of this agency to make it fit with the department's new name, the government took pains to include the word "advisory" which was not there before. The second significant change is the increase in the number of members of the council from 18 to 24. The members are recruited in the public service, in universities and teaching establishments, in industries and among the general public. All this is very nice, but what good will it do to pay civil servants to draft bills and to hire more members for a council which the government pointedly calls "advisory", meaning that its only function will be to advise the minister?

For almost two years now agencies like the Canadian Association of University Teachers and the Canadian Federation of Biological Societies have been constantly trying to explain to this government that such advisory bodies should become executive agencies with their own powers and that they should not depend only on inefficient ministers or general administrators of the same type. The public also requested larger representation of the Canadian scientific community on those advisory bodies, and what is the government bringing us today? It announces an increase in the membership of the new advisory body.

• (1640)

But what will be the proportion of members coming from universities, industry and the public service? We still do not know. I refer hon. members on the government side to the debates of March 7, April 17 and December 1, 1978, when hon. members of our party made a clear description of the lamentable condition of research and development in Canada. What solution is proposed? More members coming from we do not know where to sit on a board which has no executive power.

In the third part, it is a good thing the government has at long last recognized that the question of the environment calls for a separate department and established such a department as an autonomous body in Part III of Bill C-35. However, we of the Social Credit Party of Canada believe the powers and functions attributed to the Department of the Environment in the bill before the House are very limited and in fact too limited. In fact, in subclause 6(c) the minister is depicted as an adviser to the heads of various departments and other agen-

cies. Would it not have been better to establish a code for the evaluation of negative goods based on abundant data relating to the pollution of the environment which we have in hand and to give the Minister of the Environment the responsibility to apply this code? When will this government stop talking and start acting?

It is high time our country adopts such a code and applies it to all commercial and industrial development rather than hoping that toothless tigers will protect our environment. Among the duties attributed to the Minister of the Environment is that of providing to Canadians environmental information in the public interest. In this manner I think it would be beneficial to innovate and provide such information to the people in order to encourage creative discussions which will lead to the adoption of serious policies by the government. At present, the government is passing environmental laws and informing the public *post facto*. Once all laws are passed, the public is informed, rather than being consulted beforehand. That is a negative way of doing things, Mr. Speaker. It would be much more profitable, I think, to use this power of public information to initiate a public debate and thus achieve a greater input from citizens regarding this crucial question of preservation and the environment.

Mr. Speaker, I will not comment on part IV as I prefer to concentrate on part V. This part of the bill abolishes the office of the representation commissioner and transfers its responsibilities to the Chief Electoral Officer. This is a very important proposal, Mr. Speaker. It is a first step toward solving the problems we had to face and the injustice some of us have suffered concerning electoral boundaries readjustments. In this respect, Mr. Speaker, I wish to remind the House that the citizens of the Abitibi riding will have to suffer the consequences of the irresponsible action of that famous commissioner of whom we will soon be rid if this bill is passed.

Mr. Speaker, I believe that because of his special responsibilities the Chief Electoral Officer is closer than anyone to reality and the most able to identify problems concerning boundaries readjustments as he receives direct representations from many different sources. They are made by representatives of political parties in Ottawa as well as by returning officers and the candidates of political parties in various ridings. Then he is the most able to have an over-all view of the situation.

However we do not like much the famous provincial commissions whose members are appointed in a very subjective and partisan way by the Secretary of State who ha' now the title of minister. So, Mr. Speaker, if the government really wishes to deal with those problems it is urgent to review the appointment procedure of provincial commissioners and then to present a complete and serious bill on that subject alone and not an omnibus bill like this one.

Mr. Speaker, I found advisable to put together parts VI and IX of the legislation, under which the Medical Research Council, the National Research Council, the Natural Sciences and Engineering Research Council and the Social Sciences and Humanities Research Council no longer need the minister's approval for the appointing, the classifying and the salary determination of their staff.

Mr. Speaker, I sincerely wonder what useful purpose the Department of Science and Technology will serve once the bill is enacted. Because how can the minister, a duly elected representative, answer for and explain before this House the acts and decisions of those four bodies, if those bodies can do whatever they like with public funds without the minister being informed? I perfectly realize the delays in getting the minister's approval for each and every decision taken by those councils, but I feel it is the latter's responsibility to ensure proper operation and some way or other to answer before parliament for the actions of such bodies as are normally his responsibility.

Mr. Speaker, I sincerely feel this government are experts at paradox. On the one hand they recently slashed the budgets of various research bodies in Canada, and on the other hand they now give them wider decision autonomy under the legislation before us. I ask you, Mr. Speaker, what is the purpose of all this? If funding is cut, if they are deprived of any possibility of monetary improvement, even this new freedom of decision will not lead very far and we will not solve our research centres' problems.

Mr. Speaker, I am not making this up. You have only to read the reports on research published recently in the newspaper *La Presse*. I believe it was on January 22, 23 and 24, 1979.

Then you will know clearly what I am talking about.

I close my remarks by dealing with part X. To my mind, that part of the bill which deals with parliamentary secretaries is just like them: quite confused. Indeed, in the French version the main difference between the act as it stands now and the bill is that the word "occupant" is being replaced by the word "exerçant"; on the other hand, the English version gives the change another twist that does not reflect the substitution of "exerçant" for "occupant" by giving corresponding words, that is "hold office". We note that the words "at any one time" now in the act no longer appear in the bill. What does it all mean, Mr. Speaker?

I believe we will have time in any case to think it over and come up with an answer before the next election. And in just a few seconds—I see you are about to rise—I would like to say that I am very anxious to see the different interpretations that will come out of the standing committee of the House. So we will be looking forward to that famous report of the committee to re-examine the problem and pass a final judgment on this Bill C-35.

[*English*]

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, before I get into the substance of my remarks, it seems I should put to rest a canard which is receiving some credit in speeches to the effect that the Prime Minister (Mr. Trudeau) promised a separate department of fisheries. I have a short excerpt from the Digby *Courier* of July 4, 1974 from which I should like to quote. It states:

● (1650)

—the Rt. Hon. Pierre Elliott Trudeau said in Digby that "he now prefers a full-time Minister of Fisheries".

A little over a month later in fact there was assigned a full-time minister responsible for fisheries, so that promise was fulfilled.

Some hon. members have attributed to me qualities which I do not have. I must say I really am not in competition to see who is the best minister of fisheries. I think Canada has been fortunate in having a long tradition of good ministers of fisheries. I say this without even choosing between sides in this House because I know some of the things that were done by representatives of the other party. I might say that my immediate predecessor, the hon. Jack Davis, made some extremely difficult and courageous decisions affecting Atlantic fisheries, and I take away nothing at all from what he has done.

One of the most pleasant compliments I have ever been paid was in being told that I was somewhat akin to the hon. James Sinclair, who I think was considered to be one of the great ministers of fisheries in this country.

[*Translation*]

Mr. Speaker, I am very pleased to rise in support of Bill C-35, particularly that part of the bill dealing with the reorganization of the legislative arm of the government by creating a separate department of fisheries and oceans. I think the legislative paper is both clear and straightforward. Based on comments made by members of all parties in this House over a year, it is a progressive measure that seems satisfactory to everyone. Bill C-35 proposes to create a department to be called the department of fisheries and oceans. The duties, powers and functions of the department will include all matters over which the Parliament of Canada has jurisdiction, not by law assigned to any other department, or agency of the Government of Canada, relating to (1) sea coast and inland fisheries, (2) fishing and recreational harbours, (3) hydrography and marine sciences.

[*English*]

—and:

(b) such other matters over which the Parliament of Canada has jurisdiction relating to oceans as are by law assigned to the minister.

Part II of the bill provides for amendment or repeal of certain sections of the Fisheries Research Board Act to allow the replacement of the old Fisheries Research Board with a new fisheries and oceans research advisory council. This council will advise and report directly to the minister. The majority of its members would normally be scientists, but to answer right away hon. members of the New Democratic Party mainly, that fishermen should be represented, I can assure them they will be. In fact, the word "industry" in my understanding would include both fishermen and, of course, processors.

The council will then advise the minister in matters relating to fisheries research and the marine sciences, including technological developments in those fields, the scope and adequacy of science policies and programs of the department of fisheries and oceans, having regard to the duties and functions of that department, the science policy and international obligations of the Government of Canada, and the co-ordination of research and development programs in the field of fisheries research and the marine sciences.

In a nutshell, the establishment by this bill of the new department and council will provide a clearcut administrative and policy framework for carrying out the federal government's constitutional mandate for "seacoast and inland fisheries", including our fisheries management and ocean science responsibilities, and administration of the legislation listed in schedule I of the bill.

There are other related, consequential amendments which are included in schedule II to ensure that the mandate of the minister of fisheries and oceans is appropriately recognized in other legislation.

I feel it would be worth while at this time to cast a backward glance at events of the past decade to examine why this government took the step it did in creating a federal department of the environment in 1971, and decided to include in it the then department of fisheries and forestry. The overriding reason at that time for the creation of an environment department was the absence of a national focal point for environmental concerns and the lack of a strong federal organization to co-ordinate and lead the fight against encroaching pollution of the environment.

One of the events that occurred at that time was the discovery of mercury contamination in the Great Lakes and elsewhere which provided a dramatic example of the need for swift and effective action by the senior government. It should be borne in mind that at that time no provincial government has an environmental department to cope adequately with the situations which were, to many people's surprise, arising. Even worse, there was very little environmental legislation on the books that could be used to stop or roll back pollution except for the Fisheries Act. The Fathers of Confederation in their wisdom had included anti-pollution provisions in the Fisheries Act when it was passed into law more than a century ago, and those provisions, beefed up by stiffening the penalties for polluting any water where there was fish life, were used very effectively in the war against pollution in the early 1970s.

Among our renewable natural resources the fisheries, of course, stood to lose the most from the effects of pollution of our lakes, rivers and oceans. The Fisheries Act served as an invaluable stop-gap until other environmental protection legislation could be put into place, and until provincial governments were able to organize their own environmental departments and join the attack at the provincial level.

In the mid-1970s came the realization that bold and decisive action was needed to avert disaster in fisheries, particularly the Atlantic groundfish industry which was verging on bankruptcy. This situation had arisen largely as a result of excessive foreign fishing.

The federal government rose to the challenge and made fisheries rehabilitation a number one priority. Millions of dollars by way of temporary assistance programs were made available to the industry. Looking beyond these emergency short-term measures, an over-all management policy was formulated for Canada's commercial fisheries, a document published in May, 1976, which I understand was never tabled in this House. With the permission of the House, I would like to table it in both official languages at this time.

Mr. Deputy Speaker: Has the minister consent to table the document to which he has referred?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Agreed and so ordered.

Mr. LeBlanc (Westmorland-Kent): The key to rational management of the offshore fisheries resource was, of course, extended jurisdiction. Canada unilaterally introduced a 200-mile fishing zone on its east and west coasts on January 1, 1977. Here I should like to pay homage to my own colleages in cabinet, particularly the former secretary of state for external affairs, the present government House leader, and his successor, the present Secretary of State for External Affairs (Mr. Jamieson) and distinguished representative of Newfoundland. This declaration of the 200-mile zone was without doubt a milestone in Canada's fishing history, and I believe marked the turning point in the furtunes of the industry.

Now, with effective management control over most of the offshore fishing grounds, backed by successfully negotiated bilateral agreements with countries that traditionally fished off our coasts, a new era of prosperity looms on the horizon for Canada's hard-pressed fishing communities. Significantly, in the year 1977 the total market value of Canada's fisheries topped the $1 billion mark. Fisheries is getting to be big business, and it is also abundantly clear that the fisheries department with its many added responsibilities should re-emerge as a separate entity.

● (1700)

Thus it was that in the fall of 1977 the Prime Minister announced the government's intention to set up a new department to look after Canada's fisheries. Wheels were set in motion to accomplish this and the necessary legislation was placed before the House last June. Unfortunately, time ran out on us and the bill died on the order paper. In any case, if anyone should be wondering, I might add at this point that we have not been sitting around twiddling our thumbs waiting for the passage of the bill. Anticipating the split in the department, my officials have been busily occupied with sorting out the administrative arrangements and the transfer of responsibilities which such an action would involve.

Government Organization

Much of the machinery necessary for fisheries to function as a separate department is now in place. With the approval of this House and the Senate, the new department will be known as the department of fisheries and oceans. An associate deputy minister has already been appointed—he is now well settled in his job—and a senior management structure in the new department has been developed. Of course, the associate deputy minister would become the new deputy minister with the passage of the legislation.

There are now four assistant deputy ministers: one responsible for the central, inland and western fisheries, one for the eastern fishery, one for the ocean and aquatic sciences, and a new assistant deputy minister concentrating on marketing and developmental aspects. I might add that the officials of both sectors, the Department of the Environment and the Department of Fisheries, worked well together, and I am sure are ready to continue doing so because there will always be a close relationship between those who are involved in the protection of the environment and those who are working in fisheries.

The name "fisheries and oceans" was chosen deliberately to indicate that the new department's make-up includes a marine science component. This is not something that has been tacked on as an afterthought. The fisheries are part of the ocean's eco-system, and in order to manage them effectively the input of many disciplines of marine science is absolutely essential.

Perhaps I could best define this department by pointing out the objectives of the ocean and aquatic sciences sector. Firstly, it is to conduct on a national basis research into physical, chemical and biological oceanography to gain a better understanding of the marine and fresh water environments.

Secondly, it is to support through this program the management of marine and fresh water resources, the enhancement and protection of marine and fresh water environmental quality, and the safe, orderly and efficient conduct of shipping in Canadian waters and those areas of the ocean of direct interest to Canada.

A third objective of OAS is to contribute to national capability in fisheries and marine science through the development and transfer of ocean technology. It has also been given the provision of direct financial aid to qualified university research projects through the subvention program, and the implementation of a national fisheries and marine scientific information and publications policy.

Last but by no means the least of the OAS functions is to ensure that adequate hydrographic data, charts and publications are available as and when needed to meet the needs of navigation in all Canadian waters. This is of direct benefit to commercial fishermen as well as to marine fishing in general, and to the ever increasing population of pleasure boaters in this country.

It is perhaps worth mentioning that the ocean and aquatic sciences sector had its origin back in 1959 as part of the past fisheries research board of Canada, when it was known as the division of oceanographic research. At that time it used the administrative and ship support arm of the Canadian hydro-

graphic service. Subsequently the group was attached to the Department of Energy, Mines and Resources and more recently became part of the fisheries and marine service within the environment department. Thus it may be claimed that OAS has turned full circle and is back where it started from.

The shaping of a new department has provided the government with an opportunity to take a good, hard look at fisheries needs as they currently exist throughout Canada and at what may be needed for the future. Efficient and economically sound management of the fisheries—whether salt water or fresh water—is obviously the basic concern of any fisheries department.

Fisheries management, however, entails a lot more than merely setting catch quotas and licensing fishermen. It requires science and research, a knowledge of what, where and when to fish, an understanding of the very complex factors which affect stock, health and abundance. It involves not only controlling how much fish is harvested, but also attempting to spread that fish throughout the year to keep processing plants fully occupied. It means devising methods to increase the natural or artificial production of fish, such as the multi-million dollar salmonid enhancement program now in top gear in British Columbia. It involves measures to protect and, where necessary, rehabilitate fisheries habitats—the streams, estuaries and other places where fish spawn and spend their early life. It means coming up with programs to protect the fisheries resource, and that includes combating the poaching of valuable species such as salmon and lobster.

Incidentally, with the help of this parliament, two amendments were put into the Fisheries Act which have been very helpful in the area of habitat protection and stricter or stronger measures against illegal fishing. The fishermen themselves are now discovering that the resource is also theirs to protect. In Prince Edward Island a very positive experiment was tried by the fishermen during the last season and on their own estimate the amount of poaching dropped substantially in the lobster fishery. Other fishermen groups, with this example in mind, are suggesting that they too should have a role in the protection of their own resource. I know that this problem is less serious in certain provinces, especially Newfoundland where the sacredness of the fishery is recognized very broadly.

Perhaps, Mr. Speaker, with the permission of the House, I might spend a few minutes speaking about the current fate of Canada's fisheries. Occasionally there are cries of outraged protest from the media or from politicians that Canada is not taking full advantage of our opportunities under the 200-mile limit. Sometimes these protests are accompanied by calls to cash in on this wonderful new bonanza by vastly expanding the fishing fleet. In both cases these protests are from people who have not taken the trouble to study the situation, or have chosen to ignore the facts for whatever reason.

Let us look at some of the facts. On the fishing grounds of British Columbia full-time fishermen earn stable, responsible and respectable incomes. Pacific salmon already are the most valuable fish in Canada. Our federal salmonid enchancement program with British Columbia's excellent co-operation will double the number of salmon by the 1990s. In Pacific groundfish we can eventually increase our catches four times. I have not mentioned it but the hon. member for Commox-Alberni (Mr. Anderson) has mentioned the very lucrative herring roe fishery.

On the prairies the federal Freshwater Fish Marketing Corporation continues to provide marketing stability. In the interior and on the coasts federal-provincial co-operation in the recreational fishing industry has increased markedly. On the Atlantic coast, despite strong conservation measures, fishermen's incomes have increased 50 per cent in recent years. From 1974 through to 1977 landings rose some 20 per cent and landed value rose over 50 per cent. Provisional figures for 1978 show landings are up another 13 per cent and value is up a healthy 37 per cent over 1977.

Besides the new dollars there is a new feeling of stability about the fishery. Those of us who read the economic review of the different provinces in the *Globe and Mail* business supplement were, I am sure, impressed of find that in most provinces fisheries was singled out as an area of development and an area of quite dramatic progress. Catches are more reliable and plant work is steadier and is stretching over more of the year. There is growth in fishermen's organizations. Fishermen have gained status in the community. No longer is the fishery the employer of last resort. The potential for job increases on the Atlantic coast is higher in processing than in fishing—20,000 or more new jobs is not unlikely.

● (1710)

By 1985 we could double our catch of Atlantic groundfish. But this is not only a function of more boats. Partly, bigger landings will come from bigger catch rates per boat. The estimated doubling of our groundfish catch depends also on our making use of species such as grenadier and hake that we now ignore.

Except in northern cod, it is hard to foresee fleet expansion for our traditional fisheries, either from growth in fish stocks or from displacement of foreign effort. As fish stocks increase, a fleet the size of our existing one can take much larger catches—and, in fact, our fleet was doing so ten years ago.

In 1977 we took 76 per cent of traditional groundfish and herring on the Atlantic coast, including waters both inside and outside the 200-mile limit. Of all finfish last year, including both the species our fishermen seek and those they ignore, and including fish both inside and outside the limit, and taking into account the rights of France in the Gulf of St. Lawrence, we caught about 60 per cent. The percentage is even higher off Nova Scotia.

Atlantic fish prices have never been so high. Atlantic landed value has risen from $224 million in 1976 to $280 million in 1977. The idea of massive fleet expansion for traditional species—and I want to be very clear on this—is a pipe dream. In the northern cod fishery and in underutilized species there could be expansion. But using underutilized species to expand our fleet and catch to their full potential depends on being able to sell what we catch. Until there is some dramatic break-

through in product or market development—and these are largely areas of responsibility of industry and the provinces—it is difficult to look quickly at the day when the foreign fishing fleet will have left Canadian shores.

To those who advocate a policy of removing all foreign fishing from the Canadian zone, I point out that this is a very short-term and short-sighted policy because it does not take into account two very important protections which we require, and these are the interest of Canada outside the 200-mile zone on the east coast—and Newfoundland is aware of this problem—and, of course, the fate of the Atlantic and Pacific salmon on the high seas. We need some negotiating power to protect our vital interest in this species.

I might also say that access to the Canadian zone can be discussed and negotiated with the full knowledge of all the segments of the industry. That access can be granted in exchange for other benefits such as markets which, of course, Canada should diversify because of our overdependency on the United States market.

Some hon. members have made comments to which I should like to refer briefly, with your permission, Mr. Speaker. On the matter of fleet expansion and freezer trawlers the hon. member for South Shore (Mr. Crouse) forgot to underline that our existing fleet on the east coast could take at least 50 per cent more fish than it is taking. A factory freezer trawler could probably triple what our best trawlers now catch and some 90 times what the inshore longliner can catch. The implications respecting the over-all structure of the industry, and in particular the potential hazard posed to the livelihood of inshore and offshore fishermen, are obvious to me.

In the matter of freezer trawlers, of the six applications received in 1979, all are contingent upon access to traditional species which our present fleet is not only able to catch but where the catch rate could mean more fish for our fishermen. Those applications are contingent upon access to those traditional species and in many cases they require financial investment and involvement by foreign countries.

The hon. member has taken as his text a letter from the Fisheries Council of Canada. I think he and I separate clearly on this issue. I have made it clear that in the disposal of this common property resource, which is held in trust by the Government of Canada on behalf of the people of Canada, the first interest that has to be considered—and as long as I am the minister the first interest that is considered—is the interest of fishermen, starting with those who live in the communities that are the most isolated and whose mobility is the most limited. It was in the name of the small coastal communities and the small fishermen who could not compete with the foreign fishing fleets that we argued successfully with the rest of the world that Canada should manage the 200-mile zone.

If the hon. member wants to take the letter of the Fisheries Council as his text, I will take as my text a letter from the Fishermen's Union of Newfoundland dated April 5, 1978, which stated that their "basic principles are . . . a go slow approach in the acquisition of factory ships." On this position our difference of views is quite clear.

The hon. member also talked about a long-term policy. I have tabled a document published in 1976 which, barring some adjustment required because of scientific readjustment, is, I think, perfectly valid today. This document established objectives and strategies for the development of Canada's fisheries. In resource management it covered important issues such as the extension of jurisdiction and effective management of the resource to ensure not only a sustainable yield but also the best social and economic use.

Regarding harvesting, the document advocates the need for systems of balanced access to ensure stability of the resource and improved incomes for fishermen. It also advocates improving fishing gear and practices and ensuring the viability of appropriate fleets depending on the nature of the fishery.

In processing, the document advocates quality, full utilization of the resource and arranging for the distribution of catches, particularly during glut periods, to plants in areas where catches are low in order to extend the working time of the plant.

In marketing, the document asked that we ensure competence to take advantage of dramatically changing international market patterns and that we improve our international competitive position through an improved co-ordination and consolidation of exporters.

I might say, Mr. Speaker, that the Fisheries Council has created a voluntary organization in the area of market co-ordination, but we are a far distance from our best competitors—and these are not socialist states but free enterprise types of government—who have consolidated their marketing efforts and do not see companies competing among themselves to the advantage of the buyers in markets as strategic as that of the United States.

The hon. member and I also separate on a number of other issues, Mr. Speaker. In the area of technological labs he made an impassioned plea for me to reconsider, but he also established his plea on some rather weak information. The actual number involved in the cutbacks is 30, of which 20 are in the scientific and technical categories, 14 in Halifax, six in Vancouver, the remainder being support staff. The programs affected are those related to packaging, storage of fisheries products, work on utilization of marine oils, and some study on paralytic shellfish poisoning and reproductive biochemistry. We have, however, retained a nucleus of expertise in all these areas. The reduced programs largely benefit the processing industry.

● (1720)

I am looking for the figures which would indicate that during 1978, for instance, the National Sea Company shares increased fivefold in value, from $4.33 to $21. The industry can now afford to do some of its own research and development work in this area, especially with some of the tax benefits that they can receive from the policies of this government. For proof of this, if we check the financial pages, as I have indicated, we will see that those companies which are accounting publicly are showing a fairly healthy picture. The depart-

ment is still giving high priority to exploratory fishing, gear and vessel design demonstrations. There are also no cutbacks in projects relating to harvesting and processing of underutilized species and studies on preservation of fish quality and fish spoilage.

Our fisheries research program generally has been greatly expanded. There has been some misleading commentary made by many observers, including some of the media. Since the 200-mile limit came into force we have hired an additional 125 researchers. Research spending during the current year has gone up by $14 million. We expect to increase this further during the next fiscal year.

The hon. member for South Shore was wrong in his statement about the effects on an individual lobster fisherman. Studies on wet storage of lobster are continuing, as are studies on substitute baits for lobster traps. Studies on the relationship of offshore and inshore lobster which are not part of the technological labs are also unaffected by these reductions. But I must say, Mr. Speaker, that in that area as in other areas ministers have to try and stretch out every available man-year, or person-year as the expression now is, to cover the most urgent and pressing of his or her responsibilities.

I see that the Minister of State (Environment) (Mr. Marchand) has returned and he may want to deal with the forestry aspect. An hon. member indicates that he has already spoken, but I am sure the minister will want to put on the record the tangible way in which he has shown his interest in the forestry industry.

An hon. Member: He has already done enough damage.

Mr. LeBlanc (Westmorland-Kent): I would like to hear from hon. members concerning this area. I remember clearly a meeting of resource ministers in Saskatoon when I was minister responsible for forestry. For a whole morning the federal government was berated for even thinking of a national forestry policy. During the afternoon ministers of forestry from different provinces claimed that the federal government should do more and more to discharge some of their own management responsibilities because they had not been allocated sufficient money in their own budgets to manage their own resource, which was the forestry.

The hon. member for Comox-Alberni mentioned the problems of staff and problems of limitations on staff. I might say to him that I recognize the problem fully, especially as urban encroachment makes the protection of the fishery in areas like the Fraser Valley as well as in other areas of northern British Columbia more and more difficult as access to what were traditionally almost virgin areas of a province has become increasingly possible. There is no doubt that the protection of the resource has become more complex. I recognize the problem of hatcheries which the hon. member has indicated, and I do not like to see putting in under contract certain functions which I think should be rightly discharged by the department. On that point we have no disagreement.

The hon. member for Humber-St. George's-St. Barbe (Mr. Faour) made what I thought was a very sensitive speech, and I do not disagree with him when he recognized the social implications of fishery management. I might say that whenever I see a document describing rationalizing the fishery, I usually reach for my big black pen. However, I have a slight disagreement with the hon. member in his approach to licensing. I will not prejudge the issue because there is a study being undertaken now by an experienced and well known former employee of my department, Mr. Cliff Levelton, in the whole area of licensing. If there is any commonsense solution which can be found I am sure that Mr. Levelton and his working group will find it.

My disagreement with the hon. member for Humber-St. George's-St. Barbe comes from the point that we must accept the idea that there should be a group of fishermen who invest their lives in the fishery, not as a last resort and not as a means of desperate employment, but as a career, as something they want to do for themselves, for their children and for generations to come. That is why we will have to find a way, while recognizing that in some cases, especially where there is a short season of fishing, this can be a secondary source of income, to protect the basic interests of fishermen who have invested their lives and want their children to find a very rewarding future in that area.

I might say I was astonished to hear a few months ago a school principal in Prince Rupert, British Columbia, telling me that one of the problems in his high school was that of students dropping out to go into the fishery because it was so good. There are some positive aspects to this, but I am sure parents feel that there may also be some negative ones.

The hon. member for Cape Breton-East Richmond (Mr. Hogan) talked about the vessel insurance program. I repeat what I have said, that no fishermen will be left unprotected. I have written to all fishermen's organizations and to provincial governments to ask them to join with us in looking at the possibility of fishermen's mutuals as an approach. I might also say that the fishermen's organization of Newfoundland have studied and are working on a project which might become a model for the rest of Canada or for those areas of Canada that might want to adopt that model. But I repeat what I have said, that no fishermen will be left unprotected by the closing out of the vessel insurance program.

The need for man-years and personnel in areas of urgency has forced me to look at the management of an insurance program as being of somewhat less a priority if we can find a way to protect the fishermen's interests and have an organization which they would direct.

The last point I want to make is one for which the hon. member for Cape Breton-East Richmond expressed his support. I would like to hear where members of the official opposition stand on a fishermen's organization. If they are for it I hope they speak to their soul brothers in my province of New Brunswick where by law fishermen have obstacles in their way in being able to choose freely to which kind of organization they want to belong. I am not advocating a fishermen's union over a fishermen's co-operative or other

fishermen's organization; I am advocating the right of fishermen to choose the organization to which they want to belong.

Some hon. Members: Hear, hear!

Mr. LeBlanc (Westmorland-Kent): I would hope that we may have either some movement on the provincial side, or if we can overcome some of the difficulties—I am not a lawyer so I will walk most carefully when I say this—have signalled to us by the Supreme Court in the federal legislation, it might be possible to open the way for fishermen. One province has opened the way and the sky has not fallen. I believe fishermen have a right, like any other segment of the population, to protect their interest and negotiate their future.

I have indicated very clearly from the time when I made my first public speech in Halifax that the time when fishermen arrive at the wharf and are told that the price has dropped during the trip must come to an end. I can only say that I rejoice that it is increasingly coming to an end.

● (1730)

Mr. James A. McGrath (St. John's East): Mr. Speaker, I thank the minister for not taking up all the time available to him; he has left some time in which to deal with his remarks and, hopefully, to make a positive contribution to this debate.

There are a few things I should like to get out of the way immediately. The hon. member for Comox-Alberni (Mr. Anderson) made a serious charge, in my opinion, and was responsible for a gross misrepresentation which has been referred to by my hon. friend from South Shore (Mr. Crouse) by means of a point of order. The only reason I am dignifying the hon. member's words by giving them repeated reference is that he was speaking not only as the member for Comox-Alberni but as Parliamentary Secretary to the Minister of Fisheries.

An hon. Member: No, consumer affairs.

Mr. McGrath: Well, he was speaking as a parliamentary secretary and presumably he was reflecting the views held by the government and by the Minister of Fisheries (Mr. LeBlanc). Very often parliamentary secretaries are used by ministers to do their dirty work in this House and I suspect the parliamentary secretary, inadvertently, was being used by that old shrewdie, the Minister of Fisheries, to do a little bit of dirty work in the House that he did not want to do himself because it would jeopardize or affect his ongoing relationship with his provincial colleagues.

[*Translation*]

The Acting Speaker (Mr. Ethier): The hon. minister on a point of order.

[*English*]

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, the last member with whom I would want to get into a hassle is the hon. member for St. John's East (Mr. McGrath), for whom I not only have a great deal of respect but personal affection. I really do not think he would want to impute any motives to me. There is an obvious issue and I am glad to hear that the hon. member for South Shore took a clear position about federal jurisdiction. I hope he will speak to some of his soul brothers in at least two of the Atlantic provinces.

Mr. McGrath: I certainly would not wish to impute motives or put words in the minister's mouth. He has been known to express an opinion similar to that put forward by the hon. member for Comox-Alberni. But I want to make our position very clear—not that it has not already been made clear by my hon. friend from South Shore. The minister refers to some of our provincial colleagues. Presumably the reference is to the minister of fisheries for Newfoundland, a very distinguished member of the Newfoundland government and a former member of this House, who is doing a constructive job on behalf of the Newfoundland fisheries. I should like to tell the minister what the minister of fisheries for Newfoundland, the hon. Walter Carter, had to say on the question of jurisdiction in a speech he made on November 13, 1978. I put it on the record not because it represents the position of the minister of fisheries in Newfoundland, but because it accurately represents the position taken by this party. He said:

> We believe that in terms of our respective fiscal responsibility for the provision of fishery and marine related facilities the provincial and federal roles are clearly defined under the BNA Act and while we do not intend to look for anything more than is ours by right we will expect to receive nothing else. We trust federal authorities will fulfil their responsibilities to the letter, and by so doing they will be joining us in the great revolution for the Newfoundland fishery.

That is a clear statement of the position of the province of Newfoundland and it happens to represent in the plainest terms the unambiguous position taken by this party. We are not suggesting, to use the term employed by the hon. member for Comox-Alberni, that we should balkanize the fisheries and take away the jurisdiction of the federal government. What we are saying is that the federal government has a role to play as defined in the constitution, that the provinces have a role to play as defined in the constitution, and that the Fathers of Confederation, in their wisdom, intended that both authorities work together—that they should consult and co-operate, that they should not confront each other or compete with each other as seems to be the case today. Because when that happens it is the fishermen who suffer.

I am reminded of an old Newfoundland folk song which goes something like this:

> I'se the boy that builds the boat,
> And I'se the boy that sails her;
> And I'se the boy that catches the fish
> And takes them home to Liza.

Mr. Knowles (Winnipeg North Centre): Sing it!

Mr. McGrath: I would be glad to sing it except that I would probably be out of order. The Minister of Fisheries for Canada claims to be the boy that builds the boat. The minister of fisheries for Newfoundland claims to be the boy that sails her. But the poor old fellow who takes the fish home to Liza doesn't know who the hell is responsible for the fisheries. He is confused, and Liza is confused, too. I hope, for the sake of Liza and whoever has to bring the fish home, that both the

federal Minister of Fisheries and his provincial colleagues, whether in Newfoundland or New Brunswick or Quebec or British Columbia, will realize we have an industry with fantastic potential and that co-operation will be required if this potential is to be maximized. I know the minister is capable of such co-operation. I know the minister of fisheries for Newfoundland is anxious to pursue a co-operative approach.

We are talking about an industry which is, today, a $1 billion industry. In my own province of Newfoundland, to which the fishery is of vital importance, the industry has a value of more than $100 million—430,957 metric tons of fish landed with a value of more than $100 million.

In these circumstances I have to confess I was somewhat disappointed at the speech given by the Minister of Fisheries. I had hoped to hear the minister give us an outline of his aspirations, of his plans for the future designed to ensure the orderly growth of the industry, realizing, of course, that the achievement of maximum growth along lines which would produce most benefit for our fishermen would require co-operation among all those concerned. I had hoped the minister would have told us how he intended to pursue these commendable and necessary objectives. He failed to do so. I trust that on another occasion he will make up for this serious shortcoming.

Perhaps the reason he did not do so had to do with the nature of the debate in which we are engaged. After all, we are not dealing with a fisheries bill. We are not dealing with a bill calling for the establishment of a new department of fisheries. We are dealing with an omnibus bill. I would be in order if I were to make a speech on a whole range of subjects. The bill deals not only with oceans and fisheries and with the new advisory board; it also deals with the Department of the Environment, Canadian Patents and Development Limited, the representation commissioner, the Medical Research Council, the National Research Council, the Natural Sciences and Engineering Research Council, the Social Sciences and Humanities Research Council, and parliamentary secretaries.

● (1740)

I make reference to the omnibus nature of the bill because we are as anxious as the minister to get the new department of fisheries and oceans on the road. We are anxious to get her launched, christened and out to sea; but then the government puts obstacles like this in our way. Forestry, environmental matters, the representation commissioner, elections, the Medical Research Council, research and development and all these things open up areas of very important debate. I am just concerned that the Deputy Prime Minister (Mr. MacEachen), who I am sorry to say has never placed the question of fisheries in a very high priority, will perhaps take note of the fact that debate is not going quickly enough, is not going to his satisfaction and not fitting into his timetable, and say to his colleague, the Minister of Fisheries and the Environment: "I am sorry, Romeo, but I have to withdraw that bill; we have to get on to something else". That would be very regrettable.

[Mr. McGrath.]

The government could have brought in a bill prior to the recess to set up a department of fisheries and oceans, and we would have passed it in a few days. We would have given it second reading in a few days because we would have wanted to use that opportunity to have a full-scale debate in this House on the very important subject of the fishing industry and the future of the fishery in Canada.

The fishing industry is vitally important to many of us, and such a debate would have given the Minister of Fisheries and the Environment an opportunity to make a clearcut policy statement and to open the debate with that kind of statement. We would have a chance to respond constructively, but instead the Deputy Prime Minister introduces a bill to amend the Government Organization Act to reorganize the Government of Canada, we have a response from my learned colleague, the hon. member for Hamilton West (Mr. Alexander), who in our party has responsibility for matters relating to the organization of the Government of Canada, we get a response from the Minister of State (Environment) (Mr. Marchand), and all kinds of other responses. The result is that we have a very disjointed debate on the fishing industry, and that is regrettable. The bill might even be withdrawn, and the poor old Department of Fisheries would have to struggle on without having legal sanction for its very existence.

We do not question the right of the minister to proceed. Indeed, we want him to. But I know that the fact that the new department has not been given sanction by law has resulted in a morale problem. People in the Department of Fisheries are not exactly happy that the new department has not been officially established.

I want to take this opportunity to pay tribute to the very capable and dedicated men and women in the fisheries service of Canada, which is what we have at the present time, who will make up the nucleus and form the organization of the new department of fisheries and oceans. They have demonstrated their dedication time and time again, and they have certainly demonstrated their capabilities time and time again. I can speak of no better example than the people who work in the fishery service in my own province of Newfoundland, right from the director, Mr. Cowley, who was a school mate of mine and is one of the outstanding young public servants in Canada and certainly one of the most capable, to his entire staff. The minister nods his agreement that they are a tremendous organization. They are certainly a credit to the Government of Canada and a credit to the Minister of Fisheries and the Environment, who recognizes their capabilities and their dedication.

However, it is regrettable that their full potential has not really been harnessed by the government. That is because of something I referred to a few moments ago, the propensity of this government to downgrade the whole fishing industry. We are paying the price, and we have paid the price. I think of what has been done with the fisheries department since 1968 when this government came to power and, indeed, since 1963 when the government of the right honourable, late and great Lester Pearson came to power. The Department of Fisheries

was disestablished and became the department of fisheries and forestry, humourously called the "department of fish and chips".

Then we had the new Department of the Environment established under the direction of a former member of this House from British Columbia. The result of the establishment of the new Department of Fisheries and the Environment was a downgrading of the role of the fishery component at a time when we should have been planning for the day when we would be able to realize jurisdiction over the 200-mile limit. It was not a far-off dream in those days. We had been talking about it since 1958. We came close to getting an international agreement at the first Law of the Sea Conference I recall in 1958. We did extend our jurisdiction, to the credit of the government. One could say that the government practically had to be dragged into it by the scruff of its neck. We had to present petitions. We had to push. We did so because we knew that the minister was secretly supporting us, so we pushed his colleagues day after day in the House. We literally had to drag the government by the scruff of the neck into making that unilateral declaration, but it did, to its credit.

However, when we finally made the unilateral declaration of the 200-mile economic zone, we were caught short. We had not put in place the planning which would anticipate the realization of the 200-mile economic zone.

Let us consider the experience of our cousins to the south in the United States. They saw what was coming and prepared for it by increasing the surveillance and rescue capability of the U.S. coastguard. They ordered new ships, new aircraft and new facilities for their coastguard in preparation for the day when they would have jurisdiction over a 200-mile economic zone.

Mr. LeBlanc (Westmorland-Kent): Look at the document I tabled.

Mr. McGrath: I want to refer to that in a minute. The Americans embarked on a shipbuilding program to prepare for the 200-mile economic zone and for the day when there would be no foreign fishing activity whatsoever within their 200-mile economic zone. They even came to an agreement with Cuba, at a time when relations with Cuba were bad, with respect to the Gulf of Mexico. They did all these things, but what do we do? We are still haggling over the Georges Bank. The Cubans and the Americans got together over the Gulf of Mexico, but we couldn't come to an agreement on Georges Bank with our cousins and best friends. We finally came to it today, but at what price? At a serious cost in terms of our relationship with the Americans and in terms of our fishermen.

We have made no preparations for increased search and rescue capability and no preparations for renewing or increasing the size and operational scope of our coastguard service. We have made no preparation for a shipbuilding program to renew our trawler fleet, which does need renewal. I agree with my friend, the hon. member for South Shore, that we have to think in terms of renewing our trawler fleet.

Mr. LeBlanc (Westmorland-Kent): He was talking about freezer trawlers.

Mr. McGrath: Our trawler fleet is 25 years old. We need to renew our trawler fleet, which would provide badly needed jobs for our east coast, Great Lakes and west coast shipyards. American shipyards are going full tilt. Our shipyards have been going through some very difficult times. We could have a program, and we could have in place the suggestion of my colleague, the hon. member for South Shore, regarding federal financing of this fleet replacement program based on the model of the Central Mortgage and Housing Corporation. That is an excellent suggestion. I suspect that if the government is given a new lease on life, which is doubtful, then even perhaps in the final days of the life of this government they might get around to implementing it. It is a good program, one whose time has come.

● (1750)

I can talk about new species development, the development of new markets, our relationship with the common market and the tariff protection of the common market against our fish, which speaks to the dependence of our industry on the east coast on the U.S. market. I can talk about new marketing techniques, taking full advantage of the Asian market. The Japanese are in a position to buy fish from us if we can get it to them frozen or chilled. They are prepared to pay the price for it. We are not actively pursuing that, or at least I am not aware of it if we are.

The People's Republic of China together with Japan will take all of the squid we can produce. The lowly squid holds great promise as a new species for bringing in new returns to our fishermen. I remember the time in Newfoundland when squid was used as a fertilizer; it was a nuisance. Now it is a much sought after food by Oriental people and by some European people. It is a matter of great regret to me to see year after year thousands and thousands of pounds of squid rotting on beaches for lack of holding facilities, for lack of marketing capability and for lack of marketing initiative to get that squid on to the market where there is a great demand for it.

Some hon. Members: Shame.

Mr. McGrath: It is excellent, by the way. I would commend squid to my colleague, the hon. member for Madawaska-Victoria (Mr. Corbin). Not only is it delicious but it is highly nutritious if properly prepared.

I found myself in agreement, much to the chagrin of my colleagues, with the deal that was made by the Newfoundland fishermen's union to sell squid and mackerel to the east Europeans. It is a market that we had not developed. Not a pound of mackerel had been sold in Newfoundland until that deal was made. So far as squid is concerned, if that deal has the effect of stimulating new marketing initiatives and getting the trade out of its complacency with respect to traditional markets and getting after these markets, then it was an even better deal than I suggested it was. I give the minister full

credit for giving them the licence to do so and I give the Newfoundland fish union and the allied workers' union and their president full credit for taking advantage of it.

What are we doing when we talk about selling squid? We are talking about unprocessed fish; there is no processing involved. They are merely selling their products to some foreigner who is buying them directly, and we are just eliminating the broker who usually acts on behalf of the foreign purchaser. However, I would not like to see that as a built-in part of our system because I suspect that ultimately it would destroy the union. After all, the major responsibility of the union is to act as a bargaining agent collectively for the fishermen it represents in dealing with the fish trade, and it could hardly do that if it found itself in that kind of conflict of interest position whereby the very people it had to bargain with collectively on behalf of the fishermen were competing with them for certain markets. So I know it will not become a permanent situation in this country.

The minister spoke about this plan of his which he released today for the first time.

Mr. LeBlanc (Westmorland-Kent): It is a public document.

Mr. McGrath: If it is a public document, then perhaps he can explain to us why he found it necessary to table it today. If the document is in the public domain, and I take his word for it, then why did he table it today as part of his speech? I suspect he did so in order to get at his colleagues in Nova Scotia and Newfoundland who had been pressing the minister and the government with respect to a plan for the development of the fisheries in the Atlantic provinces.

He knows, for example, that the government of Newfoundland has an excellent program, which it announced a short time ago, which it brought to the attention of the minister over a year ago and which was formulated in co-operation with the officials of the minister's department. It is a program which entails half a billion dollars in expenditures, a program that cannot possibly succeed without the good will and co-operation of the federal government. I can say to you now, Mr. Speaker, that that good will and co-operation will be forthcoming, because come the next election, when we form the government, we will be only too glad to co-operate with them. I look forward to seeing the present minister over here as the fisheries critic. He will make an excellent fisheries critic. I say to you, sir, that the program will succeed because it will receive the co-operation of the federal government.

It is the constitutional responsibility of the Government of Canada to provide services to the industry, and that speaks again to the low priority of the Department of Fisheries and the Environment in terms of government expenditures. Where do they cut when they have an austerity program? They cut the budget of the small craft harbours division of the fisheries service so that we cannot have our wharves repaired or our breakwaters extended and the facilities looked after. That happens year after year. The result is that the onshore infrastructure of the industry in terms of wharves, breakwaters, slipways and so on is in a sad state of repair. Again its speaks to the lack of planning and lack of foresight in preparing for the day when the industry will come into its own as a result of the 200-mile limit.

One of the reasons I believe it is so essential, vital and crucial for the industry to have the department re-established on its own once again is its budgetary problems. After all, when the Minister of Fisheries and the Environment (Mr. LeBlanc) speaks in terms of his budget with respect to the Treasury Board, he has to go under the umbrella of the Department of the Environment and compete with the various services that make up that department. The result is that the subservices within the fisheries service, such as small craft harbours, usually are short-changed. The result is, of course, that we as an industry suffer the consequence. I hope that all of these things can come together.

I wanted today, Mr. Speaker, to pay tribute to the Premier of Newfoundland who has announced his retirement, and perhaps I can do so in the few moments I have left. He was a former distinguished member of the House. If there is one thing that can be said and will be said that distinguishes the administration of Frank Moores from any other administration in Newfoundland, it is its emphasis on the fishing industry and its importance to the future of Newfoundland. He turned it around when he became premier and took a positive approach as the government to the industry. The result is that our people now have a confidence in the industry which they have never had before. They approach it in a positive way. The whole population of the province feels positive about the industry and the potential it has to provide jobs for our people and careers for our young people.

I would have liked to have had an opportunity to talk about new species development, our relationship with the common market and what this means in terms of reducing our dependence on the U.S. market. I would like to talk about the saltfish sector and about the criminal situation which prevails with respect to salmon and the fact that the poachers are having a field day. The dynamiters are at work year after year, destroying ton after ton of salmon as they go up the rivers to spawn, because of the lack of funds on the part of the department to provide guardian protection on these rivers. I think that is criminal. If any other country had the potential we had in terms of Atlantic salmon, both as a commercial and sports fishery, it would not hesitate to put the dollars in there to protect this magnificent fish from poachers who are destroying it.

Unfortunately the clock has intervened, but in my final words I should like to say that I hope this bill will be referred, not to the Standing Committee on Miscellaneous Estimates, but to the Standing Committee on Fisheries and Forestry, where it will receive the examination and attention which the fisheries part of the bill so justly deserves.

Mr. Deputy Speaker: It being six o'clock, this House stands adjourned until tomorrow at two o'clock, pursuant to Standing Order 2(1).

At 6.00 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, January 25, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

RAILWAYS

CRITICISM OF PRAC REPORT ON RAIL LINE ABANDONMENT—MOTION UNDER S.O. 43

Mr. Arnold Malone (Battle River): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a question of urgent and pressing necessity.

In view of the harsh, crass and insensitive recommendations made by the Prairie Rail Action Committee which suggest 2,280 kilometres of prairie rail lines be abandoned permanently, and since these decisions were made irrespective of any social impact on the communities to be affected and without any consideration of an alternative method of transportation, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That this parliament censor the Minister of Transport for his needless and damaging support of the report by the Prairie Rail Action Committee, a report which contains false and inaccurate comments, and who did so prior to the full and usually impartial consideration of the document by the Canadian Transport Commission.

Mr. Speaker: Such a motion for debate can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

ALLEGED LACK OF GOVERNMENT FORESIGHT RESPECTING ADOPTION OF BILL C-14—MOTION UNDER S.O. 43

Mr. Richard Janelle (Lotbinière): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with a very important question of pressing necessity.

Considering that the staff of the unemployment insurance offices are unable to provide adequate information to the recipients concerning the new unemployment insurance legislation, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House regret the lack of foresight of the government following the passage of Bill C-14, since the officials who are supposed to enforce that new legislation have not yet received any specific instruction.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to Standing Order 43, presentation of such motion for debate can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

UNEMPLOYMENT

CALL FOR MEASURES TO ALLEVIATE SITUATION IN EASTERN CANADA—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact the latest quarterly provincial forecasts published by the Conference Board in Canada predict 10.4 per cent unemployment for Prince Edward Island in 1979, 12.9 per cent for New Brunswick, 10.6 per cent for Nova Scotia and 11 per cent for Quebec, and that the Conference Board forecasts show no other provinces in Canada will even approach these high unemployment rates, I move, seconded by the hon. member for Broadview (Mr. Rae):

That the new so-called ministry of development come up with some special projects to alleviate the unconscionable unemployment in Canada's eastern provinces.

Mr. Speaker: Presentation of such a motion for debate requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

• (1410)

COMMUNICATIONS

SUGGESTED ROLLBACK OF BELL CANADA RATE INCREASES—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a matter of urgent and pressing necessity.

Bell Canada has just announced a very inflationary 37 per cent increase in its profits for 1978, which is the highest return on common shares for this corporation in its history. This has occurred in a year when a rate increase was allowed by the federal government. Because of this terribly inflationary, double-digit increase in profits, I move, seconded by the hon. member for Regina-Lake Centre (Mr. Benjamin):

That this government take the necessary steps to roll back the recent rate increases granted to Bell Canada.

Mr. Speaker: Such a motion can be introduced for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN BROADCASTING CORPORATION

ALLEGED UNAUTHORIZED SPENDING OF PUBLIC MONEYS BY CORPORATION—MOTION UNDER S.O. 43

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, I rise, under Standing Order 43, on a matter of urgent and pressing necessity.

Despite the protracted, strenuous protests of British Columbia members of parliament and thousands of citizens to the construction and development of a second, redundant CBC station within 20 miles of Vancouver, the CBC has gone ahead, constructed the building, ignored a recent cabinet veto of a 1979 broadcast schedule and is preparing right now to begin broadcasting March 31 from Victoria. In view of this situation, I move, seconded by the hon. member for Burnaby-Seymour (Mr. Raines):

That the government act immediately to halt this unauthorized spending of public moneys against the will of the people and of the executive body of the Government of Canada itself and to halt this repetitive waste of time of MPs and citizens and of taxpayers' dollars in fighting this CRTC-CBC battle over and over again.

Mr. Speaker: The introduction of such a motion for debate, pursuant to Standing Order 43, can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

INDIAN AFFAIRS

OUTBREAK OF TUBERCULOSIS ON RESERVES IN NEW BRUNSWICK—MOTION UNDER S.O. 43

Mr. Fonse Faour (Humber-St. George's-St. Barbe): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In light of the outbreak of tuberculosis on two Indian reserves in New Brunswick—14 known cases and 40 suspected cases—a situation verging on epidemic proportions, and since the Indian Act regulations of 1953 specifically deal with t.b., instructing the federal government to be responsible for prevention and treatment, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instruct the Minister of Indian Affairs and Northern Development to immediately order the regional director of his department in Amherst, Nova Scotia, to take the necessary steps to stop this outbreak and provide adequate care for those already affected.

Mr. Speaker: Such a motion can be introduced for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

DEVALUATION OF CANADIAN DOLLAR—EFFECT ON INFLATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance, who is the first minister of finance in this country for literally some 110 years to have permitted the Canadian dollar to plunge to its lowest average level which occurred in 1978.

Would the Minister of Finance indicate, now that the governor of the Bank of Canada, Mr. Bouey, has indicated that a further decline in the dollar would be still more inflationary to the country's economy, whether or not he still believes a floating dollar is a floating dollar?

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): The answer is yes.

[*English*]

Mr. Stevens: Mr. Speaker, in line with the minister's little quip, is he aware that international analysts are now saying the Canadian dollar may touch 79 cents this year? Their quip is "79 for 79" in Canada for our dollar. If the minister is aware of this, will he indicate to the House what constructive

steps he intends to take to ensure that such a humiliated dollar will not be permitted to occur in this country?

● (1415)

Mr. Chrétien: Mr. Speaker, we have stated many times the policy of the government on the exchange rate. I think that what governor Bouey stated yesterday is something with which I am in accord. He is a very competent governor of the bank. I think the hon. member should get busy making sure that on his next trip he does not lose his luggage as he is losing his mind today.

Some hon. Members: Oh, oh!

Mr. Stevens: Mr. Speaker, I can assure the minister that at least I have not lost my credibility, or the value of the Canadian dollar.

Some hon. Members: Hear, hear!

Mr. Stevens: If the minister intends to continue his reckless program of borrowing, having expended $5 billion of our reserves in defending what he calls the floating dollar, would he indicate exactly what he means when he states we are now back to a clean float? What is a clean float, bearing in mind that this month alone, especially in the last two days, he has lost another $40 million to $50 million of our reserves defending what he calls the floating dollar?

Mr. Chrétien: As long ago as a year and a half I said that the floating dollar is the dollar established by the market. The Bank of Canada has always intervened to make sure there is an orderly market. I hope that some day members of the opposition who like to make a lot of points on this will get up and say if they want us to peg the dollar, and where. They have never had the guts to have any policy on that.

An hon. Member: Why don't you call on the Governor General?

REASON FOR INCREASING RATE OF INFLATION

Mr. Robert de Cotret (Ottawa Centre): Mr. Speaker, my question is also to the Minister of Finance and it is on the subject of the Canadian dollar.

Given that it is quite obvious to anybody who follows exchange markets that the value of the currency is highly dependent on price stability in the domestic economy, and considering that the minister has predicted a lessening of inflationary pressures in 1979, can he explain why the advance price indicators—I mention here the industry selling price index and the wholesale price index—continue to show an increased rate of inflation? Where is the underlying trend to lower inflation rates which both he and his predecessor have talked about?

Hon. Jean Chrétien (Minister of Finance): If the hon. member would look at the CPI figures released a few weeks ago, he would realize that inflation, which was 9.8 per cent, is now down to 8.4 per cent.

Mr. de Cotret: As the minister is well aware, the CPI trails both the indices to which I have referred: both of those show dramatic increases for the latest 12 months' period.

On the question of the dollar, I should like to ask the minister, who has spoken repeatedly—along with the Minister of Industry, Trade and Commerce—about our magnificent trade surplus, the following question. The current account is the determinant of our exchange rate, not the trade position. Does the minister concede that the dollar cannot achieve stability while the current account position continues to increase as it has over the last 12 months?

Mr. Chrétien: We are working very hard to make sure that the current account is as much in balance as possible. Trade is a very important component, and in fact I am quite sure this year will be a record year for us in trade. However, I should like the hon. member to explain to the House, since he is so preoccupied with balancing the ledger, why his own leader is proposing an even bigger deficit than we have at this time.

Mr. de Cotret: As the minister knows, a substantial portion of the current account deficit arises from interest payments. The interest payments on the funds that the minister has borrowed and intends to borrow from foreigners will add to that deficit by a considerable amount. Why does the minister think such extensive borrowing is justified now, when it will only lead to a more intractable current account deficit in the future?

[*Translation*]

Mr. Chrétien: Mr. Speaker, we are borrowing abroad at this time because the provinces and the institutions are doing so to a lesser extent than they used to, and thus we are just substituting our borrowing for theirs. Formerly, money was borrowed through intermediaries such as the provinces and companies. However, the level of savings is now such in Canada that most institutional and provincial financing is done within Canada; we are therefore only substituting our loans for theirs on foreign markets. The hon. member should know that Canada always has to import foreign capital because it needs it to develop.

* * *

● (1420)

[*English*]

NATIONAL SECURITY

LISTING OF SUBVERSIVES IN PUBLICATIONS CIRCULATED BY GOVERNMENT

Mr. Bob Rae (Broadview): Mr. Speaker, my question is addressed to the Solicitor General. Could the minister confirm or deny the existence of publications called "The Special" and "The Whizzer" which are circulated to ministers and deputy

ministers, and which allegedly list dozens of groups and individuals in Canada that his department feels are subversive?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, over approximately the last four years we have had a weekly internal security service summary that has been circulated among people involved in security in various departments. This has been reflected in my annual report. The matter is not surprising; it has been in place for that length of time and is most helpful.

Mr. Rae: Mr. Speaker, in view of the 1971 blacklist of 26 individuals which was also circulated by his department, and in view of Mr. Bourne's statement this month that a group would be labelled subversive, and I quote, "if we felt their intentions were contrary to our interests", what guarantees can the minister give that the civil liberties of all Canadians are being protected at this time?

Mr. Blais: Mr. Speaker, the major preoccupation of my department and this government is, indeed, the protection of civil rights of Canadians. The statement made by Mr. Bourne is one that falls directly within the responsibility afforded us by section 16(2) of the Official Secrets Act. I would call upon the hon. gentleman to review that act and to see the definition of "subversive activity" therein.

Mr. Rae: Mr. Speaker, I am sure all Canadians sleep a little easier knowing the Solicitor General is protecting their civil liberties. Mr. Bourne also said, in the same statement:

> I think you'll find most peace organizations, if they are labelled as such, are manipulated by the Soviets.

I wonder if that is the view of the minister in this matter.

Mr. Blais: Mr. Speaker, I would indicate to the hon. gentlemen that the comments made by Mr. Bourne in that particular context were reflections of Mr. Bourne himself. I would like to review the context within which the comments were made.

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[*Translation*]

THE CANADIAN ECONOMY

GOVERNMENT STEPS TO REDUCE OUTFLOW OF CAPITAL

Mr. Gérard Laprise (Abitibi): Mr. Speaker, barely a few moments ago, in reply to the question of an hon. member of the official opposition, the Minister of Finance said that we needed foreign capital to develop our country. I totally disagree with that statement. Mr. Speaker, recent reports show that the payment of dividends and interest, which represented a net capital outflow of $4.3 billion in 1977, and $5.5 billion last year will reach, according to various estimates, from $6.6 to $7 billion this year. Can the Minister of Finance confirm those figures? In addition, in view of the disastrous effects that outflow of capital has on the Canadian dollar, does the minister intend to take specific, efficient and short-term steps to stem that tide?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I am not in a position to give the hon. member a specific answer on the figures he gave, but if he wants to put his question on the order paper, I can see to it that he gets one. As for government policy, we have no intention at this time of imposing controls on foreign exchanges in Canada. We want the flow of money between Canada and other countries to be very free, both into and out of the country, and we feel that it would be untimely at this point, if I fully understand the question of the hon. member, to consider the imposition of foreign exchange controls.

GOVERNMENT POLICY RESPECTING BORROWING FROM ABROAD

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a supplementary question.

Everybody is aware that the present economic situation in Canada is really bad, and the minister is apparently unwilling to do anything about it. In view of the fact that the government has always favoured borrowing on foreign markets to support the Canadian dollar and that this approach has been unsuccessful and served only to postpone facing the problem of our growing indebtedness, does the minister not feel that this policy ought to be changed because of our extraordinary high level of indebtedness and he should consider a monetary reform as soon as possible?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I feel that if the hon. member would only examine the statistical data closely, he would realize, for instance, that the rate of indebtedness of the Canadian government compared with our gross national product was lower in 1978 than it had been in 1960. Although I am quoting these figures from memory, I think that Canada's debt in 1960 represented 30 per cent of our gross national product, while it represented only 18 or 19 per cent in 1978.

* * *

• (1425)

[*English*]

RAILWAYS

MINISTER'S VIEWS ON PRAC REPORT ON RAIL LINE ABANDONMENT

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is to the Minister of Transport. In view of the concern being expressed in the prairies regarding the report of the Prairie Rail Action Committee, can the minister advise if he endorses the report and its recommendations?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the action we followed on receiving the report was to examine it to determine whether the positive recommendations seemed supportable, and to act upon those. We have done that. As a result, some further miles of branch lines have been transferred to the basic rail network and now we will be putting in a program for rebuilding.

Some of the recommendations which suggest abandonment are being treated in the same way as the recommendations of the Hall commission were treated in that regard. That means a standover for the Canadian Transport Commission to look at and to be disposed of by that commission.

Mr. Neil: In view of the fact that it is not mandatory for the Canadian Transport Commission to hold public hearings with respect to the abandonment of rail lines, will the minister direct the Canadian Transport Commission to hold public hearings in all cases where requests are made by concerned municipalities, towns and organizations?

Mr. Lang: Mr. Speaker, I am not sure that I have the power to so direct. However, I am happy to tell the hon. member that the Canadian Transport Commission has already made that kind of decision in an area where certain lines were recommended for abandonment, particularly by the Hall commission and partly by the Prairie Rail Action Committee. Probably what the Canadian Transport Commission has been doing is treating the materials which were fully submitted to the Hall commission as being rather self-supporting for their work, with support from this House because, after all, members on both sides said "Bravo" to the Hall report, "Let it go forward."

Now, as more time has elapsed since the work of the Hall commission, I think the case is made for further examination, with more attention to public viewpoints. I am happy to join the hon. member in drawing this fact to the attention of the Canadian Transport Commission through this forum.

SUGGESTION PRAC WENT BEYOND TERMS OF REFERENCE

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is to the same minister, on the same subject. In view of the very close relationship the minister has had with the hon. member for Assiniboia, particularly with regard to presenting goverment positions to this House, and in view of the fact the hon. member for Assiniboia stated last Friday that the Prairie Rail Action Committee report went beyond its terms of reference, will the minister advise whether the hon. member for Assiniboia was speaking for the government when he made that statement?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have not seen that statement. The hon. member for Regina-Lake Centre has just claimed across the House that he made that statement. I want to determine whether they were both saying the same thing before making any further comment on that matter.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Just to refresh the minister's mind on this matter, 11 months ago, on February 28, speaking for the government on that occasion, the hon. member for Assiniboia said the Prairie Rail Action Committee had three urgent tasks: the first was to recommend additional, immediate transfers of lines from the suggested prairie rail authority category to the permanent network in order to facilitate the building of grain companies, and so on. That was honestly a government statement. He has now come out a year later and said that this report by the Prairie Rail Action Committee repudiates the Hall commission report and recommends the abandonment of an additional 1,400 miles of line which Hall recommended belongs to the authority of the Prairie Rail Action Committee.

Obviously, my question is whether the minister is now repudiating the statement made by the hon. member for Assiniboia a year ago when he was speaking for the government and laying down to the House the policy and the purpose of the Prairie Rail Action Committee.

Mr. Lang: No, Mr. Speaker, I certainly am not. I rebut the argument by the hon. member for Qu'Appelle-Moose Mountain that the Prairie Rail Action Committee was in any way in conflict with the Hall commission. It is true that the Hall commission left a great number of lines in doubt. That is a point which hon. members opposite like to gloss over. The Hall commission did not say how long those lines were going to remain.

● (1430)

All the elevator companies, including the pools, came to us immediately and said that that continued period of doubt was going to be very serious, because they would not know whether to construct facilities on the lines in doubt or larger facilities on the neighbouring lines which were certain, and they wanted these issues resolved. Accordingly, we appointed the Prairie Rail Action Committee to continue the work of determining which lines should remain and which lines should be referred to the Canadian Transport Commission for further examination by that commission.

This is precisely the approach which the Hall commission used in regard to the lines before it and it left in doubt a certain category having resolved the issues in regard to the other categories. This work, therefore, was continuing to provide certainty. Of course, where the real certainty comes is in the rebuilding program, because not only are we declaring certain lines to be there and permanent, but we are rebuilding them with many millions of dollars and that is what is really going to make for a good transportation system on the prairies.

Oral Questions

NATIONAL SECURITY

REQUEST FOR STATEMENT ON USE OF INFORMATION CONCERNING SUBVERSIVE ELEMENTS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is to the Solicitor General and it relates to the documents known as "The Whizzer" and "The Special", and the publicity attaching to them recently.

Acknowledging that most, if not all, democratic countries make use of documents of this nature in terms of identification of individuals or groups presumed to be engaged in subversive activity, but acknowledging also that that use is restrained by the need for accuracy of information within a document, by the extent of circulation of the document and by the use to which the information is put by its recipients, will the Solicitor General take this opportunity, or undertake to give a statement at an early date as to the use to which the information contained in these two documents is put by its recipients?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I agree with the hon. gentleman that all countries have systems whereby information is exchanged. That is essential if we are to protect ourselves internally, as we do in Canada, from subversive activities.

As the hon. gentleman knows, the Weekly Internal Security Service Report which has been referred to is prepared by a branch within my department, the police and security branch, in order to permit various security heads within departments to be mindful of activities which chould be interpreted as being dangerous and threatening to our internal security. I can assure the hon. gentleman that the distribution of "The Whizzer", the Weekly Internal Security Service Report, is very limited and is only for the purposes envisaged under section 16(2) of the Official Secrets Act.

Mr. Jarvis: Mr. Speaker, relating to the Official Secrets Act and its application to this particular document, the Solicitor General will recall another document to which the act applied, not too many weeks ago. It is now the subject of a prosecution. Literally dozens of copies were distributed all across Ottawa and some even came into the hands of representatives of other governments.

Will the Solicitor General be more definite in terms of circulation? Without wanting to know the names of the individuals on the circulation list, I ask the minister whether he can tell us, or undertake to make a statement at least in general terms as to the number circulated and the general nature of the recipients who are on the circulation list.

Mr. Blais: Mr. Speaker, I would not wish to comment on the original statement made by the hon. gentleman in terms of the distribution of the document he has identified, because that matter, as the hon. member recognizes, is *sub judice*.

In terms of the distribution list for the weekly document, I will take that matter under advisement in order to see if that information can be provided to the hon. gentleman. If I cannot make that information public, undoubtedly I can make it known to the hon. member privately.

* * *

[*Translation*]

SHIPBUILDING

INQUIRY WHETHER DECISION REACHED ON 20 PER CENT SUBSIDY

Mr. Raynald Guay (Lévis): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce.

In view of the uncertainty which prevails regarding the future of Canada's shipbuilding industry and in view of the many representations I have received from union spokesmen and shipyard officials, I would like to know if the government has made a decision concerning the 20 per cent subsidy to help shipbuilding in Canada and make us more competitive on the international market? If so, how long will it be maintained?

[*English*]

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, we have done a considerable amount of work on the drafting of a new shipbuilding policy. The Board of Economic Development Ministers and the President of the Board of Economic Development Ministers want to make a comprehensive statement on the whole subject, possibly next Thursday.

* * *

SHIPPING

INCENTIVES FOR CREATION OF MERCHANT MARINE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a supplementary question. My understanding is that the Minister of Transport made a statement about a Canadian merchant fleet and the refusal of this government to have anything to do with a Canadian merchant fleet.

In making that announcement, I wonder whether the minister took into account or discussed with his colleagues, particularly the Minister of Industry, Trade and Commerce, the feasibility of offering meaningful tax concessions to those who might be interested in putting together the capital necessary for the creation of such a fleet.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the matter of the exact nature of our shipping policy was fully discussed within the government and it was decided not to move with major tax incentives or other forms of support at this particular point in time. However, I think it should be pointed out that a good deal else was done with regard to our shipping policy and we remain convinced that it is best for our shippers and our major exporters and importers to have available world shipping at the lowest possible rates.

We are taking steps to protect ourselves against various world arrangements which might tend to work to our disadvantage, and we are also arranging to protect the Arctic for Canadian shipping in a way which should assist entrepreneurs in Canada to move ahead into the field of shipping and to be in a position to move forward with even more effort in the future.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, aside altogether from the apparent contradiction between what the Minister of Industry, Trade and Commerce just said and what the Minister of Transport is now saying, that a shipping policy is in place, I wonder whether the Minister of Transport is aware that in failing to consider this course of tax concessions, he not only fails to evaluate the gains for Canada in terms of employment, not only in construction and in manning but also in the fact that he and this government are condemning Canada to adding at least several hundred million dollars to the already unfavourable balance of payments.

Mr. Lang: Mr. Speaker, obviously this was precisely the kind of issue which we did address. The hon. member is quite wrong in sensing any contradiction between the approach of the Minister of Industry, Trade and Commerce and mine. My colleague was addressing himself to the shipbuilding question, which is quite distinct from a line of flagships which might or might not be Canadian built. That is quite a distinct and different question.

The fact of the matter is that we looked at the question of a Canadian fleet and what it would mean in terms of jobs inside Canada. That is a thing one can look at every time one proposes any form of protective or special policy to try to move jobs here. We know that we are, in effect, employing a certain number of foreign persons aboard foreign ships in moving goods to and from Canada, but it is precisely because that is the lowest cost way of moving our goods and because that is good for our exporters and importers and, therefore, very good for providing many other jobs in Canada that we are retaining the policy which has stood us in such good stead as a major exporter and importer for many years.

SHIPPING SERVICE ON EAST COAST

Mr. Fonse Faour (Humber-St. George's-St. Barbe): Mr. Speaker, my question is to the Minister of Transport. Canadian National operates a coastal marine shipping service out of several centres along the coast of Newfoundland, including the city of Corner Brook, serving the northwest coast of Newfoundland and the southern coast of Labrador.

Can the minister advise this House of the status of this service for the coming shipping season? This service provides jobs in Corner Brook as well as a necessary service to coastal Newfoundland and Labrador. Its continuation has been brought into some question as of late.

● (1440)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there have been questions over a period of time about the particular service out of Corner Brook, and various discussions with the Newfoundland government. The question is always whether or not a particular service can be supported in view of the cost of that service, whether it is indeed essential. When services are essential, even when the cost is considerable, this government goes out of its way to ensure that they are continued. On the other hand, when alternatives are available and the cost of the service is extreme, we have some concern for the taxpayers as well.

Mr. Faour: My supplementary question is also directed to the Minister of Transport. Can he assure the House that, whatever the decision on this particular service, it will be made forthwith, thereby relieving the uncertainty which surrounds the situation?

Further, can he again assure us that no jobs will be affected in Corner Brook and that postal communities will continue to receive adequate and efficient shipping services?

Mr. Lang: I will certainly see how far I can go to answer some of those questions as soon as possible. Obviously, the degree of service, the amount of alternative service, is one of the very important considerations we will look at before taking a final decision.

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[*Translation*]

TRANSPORT

INQUIRY WHETHER RESULT OF MUC STUDY CORRESPONDS WITH EFFECTS NOTED IN REPORT

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is also directed to the Minister of Transport. Last January 17, the chairman of the Montreal Urban Community, Mr. Pierre Desmarais II, made public a study on the effects of transferring the Dorval operations to Mirabel. Given the conclusions of that study, I would like to ask the minister if he is aware of this study which gives evidence of negative effects of such a transfer on the labour force of the cities concerned and if, in light of this document, he can tell us if the explanations contained in the study do in fact relate to the negative effects mentioned in the report?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Let me say, first of all, that the report in question is completely false in suggesting that any decision has been taken in regard to this matter. A variety of issues in relation to service in the Montreal area are being considered, and reports are to be made to me in the very near future.

So far as the question of Dorval is concerned, even in advance of receiving those reports I can assure the hon. member that, while we foresee growth of traffic tending to be concentrated in the area of Mirabel as it develops and accommodates that additional traffic, we do not see a significant decrease or downplay of the role of Dorval. Therefore, anyone

who creates the fear that there will be a serious economic impact in that area I think is doing a serious disservice. At the very least they should await the report. The press statements made after the statement to which the hon. member referred were correct in that I had not yet received the report. That is still the situation.

[*Translation*]

Mr. La Salle: Mr. Speaker, the minister is surely aware of the concerns of the municipalities involved as well as that of the community over this report, and I trust that the minister can give us today the assurance that he will soon table a report on Dorval's future. I think that the mayors of the municipalities involved would like to know how work is progressing and when the transfer of operations will take place, and that they are counting on the government's co-operation and understanding in this major project.

[*English*]

Mr. Lang: Mr. Speaker, the fact that we were going to undertake these studies specifically at this time was made known many months ago. Obviously, as soon as there is something to be said about the studies and reports, that will be done.

Because of the concern which has been created by some false statements in the press, colleagues of mine, especially from the city of Montreal as well as from the ministry, a good number of them, will be meeting to look at this question to try to put to rest the fears which have been aroused.

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CORPORATE AFFAIRS

LEGALITY OF TAKEOVERS OF CERTAIN CORPORATIONS—CREATION OF MONOPOLY IN CONSUMER GOODS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Consumer and Corporate Affairs a question. It could have been put to the Minister of Justice.

Has the minister had legal officers of the Department of Justice or of his own department check the Combines Investigation Act to determine whether the amalgamation of or takeover of some large corporations has violated the spirit of the act by unduly affecting competition—here I use the words in the act—thereby creating a monopoly in consumer goods and increasing the price to consumers across the country?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): The hon. member has not mentioned any specific companies, but under the act, the director of investigations is obliged to examine any takeover or merger which is likely to come into conflict with the legislation or which is in conflict with the legislation. He is continually doing that, and he obtains legal opinions from the Department of Justice and from his own officials on these matters. But we are not able to confirm or deny any specific investigation while it is still going on, because it might impede it.

Mr. Woolliams: Was the takeover or the amalgamation of the Bay and Simpsons-Sears looked into from the viewpoint of a monopoly being created in consumer goods? The minister did not come to grips with my question. Did he seek the advice of his legal officers on that matter, and does he take the position that the act also applies to the takeover of Crown corporations such as Petro-Canada?

Mr. Allmand: I can say that very close and serious attention was given to the proposed takeover of Simpsons by Hudson's Bay. As a matter of fact, the director of investigations received an undertaking from Hudson's Bay with respect to that particular takeover. As I mentioned in answer to the previous question, we do get very detailed legal opinions on the serious mergers and takeover bids and we pay very close attention to them.

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CANADIAN BROADCASTING CORPORATION

UNAUTHORIZED FILMING OF CERTAIN INDIVIDUALS

Mr. Mike Landers (Saint John-Lancaster): Mr. Speaker, my question is one of which I have given notice to the Secretary of State.

In view of the fact that Robert Cooper, host of the CBC program "Ombudsman", admitted on January 16, 1979, that he filmed and recorded the chief of police of Saint John, New Brunswick, without the chief's knowledge, and allegedly used similar tactics with the fire chief and at least one other individual, what does the Secretary of State intend to do about this clandestine method of conducting interviews?

Hon. John Roberts (Secretary of State): Mr. Speaker, these are, indeed, very serious allegations which I will bring to the attention of the Canadian Broadcasting Corporation and report to the House.

Some hon. Members: Oh, oh!

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TRADE

ANNUAL TRADE DEFICITS—GOVERNMENT POLICY TO RECTIFY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

As railway freight loadings, which are a very accurate barometer of industrial activity in this country, dropped by 3.5 per cent during the past 12 months, and as our already huge annual trade deficits in fully manufactured products have increased by 3.7 per cent during the same 12 months' period, would the minister take the first opportunity on motions to

outline to the House just what he and his department plan to do to restore our industrial activity in this country to a healthy level and lift it out of the present morass in which it has been for quite some time?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I am certain that when the figures for 1978 and the final fourth quarter are in, they will clearly point out the tremendous growth in the export of fully manufactured goods, a tremendous trade surplus—in fact, the largest ever in the history of Canada.

Some hon. Members: Hear, hear!

Mr. Horner: But if the hon. member would like a detailed explanation on what the Department of Industry, Trade and Commerce is doing to assist the trade of Canadian goods, fully manufactured and others, I will take the first opportunity to make a speech in the House on the subject matter, and if the hon. member is not here I will make certain that the details of that speech are made known to him.

Mr. Hees: I will certainly be here, Mr. Speaker. Do the figures which the minister said will be used to justify the things he has told us come from the same source that inspired him to tell the businessmen of China that Canada had a truck to sell them that is capable of carrying, in one load, three million tons? Under great pressure, he was forced to revise that figure down to 300,000 tons. There was still very great and loud pressure from the audience and finally he reduced the figure to 300 tons?

● (1450)

Some hon. Members: Order.

Mr. Horner: Mr. Speaker, in order to make the entire statement accurate, the capability of the truck being manufactured by General Motors Diesel in London, Ontario, is 370 tons.

Mr. Hees: You could not even get the last figure right.

Mr. Speaker: The hon. member for Victoria-Haliburton.

Mr. Hees: Three times up, and three times you struck out, Jack.

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AIR TRANSPORT

ALLEGED GOVERNMENT INTERFERENCE IN REGULATING AIRLINES

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is directed to the Minister of Transport: it has to do with government regulation of the airline business.

In light of the fact that deregulation of the industry has been very successful in the United States, showing larger profits for the companies and lower rates for consumers, will the minister indicate what action his department will take to cut back the amount of government interference and regulations in this vital segment of our economy?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we have made clear our policy in encouraging the Canadian Transport Commission to look at flexible approaches in relation to charter fares. We have seen the airlines and charter companies respond to this. Also, we have seen the Canadian Transport Commission respond by relaxing a good number of rules.

Of course, the commission is concerned about the maintenance of adequate scheduled services, particularly between smaller cities, which is not absolutely assured under a completely deregulated situation. It is these interests which have to be balanced. They are seen as needing to be balanced in various jurisdictions under provincial control, such as the trucking field where provinces from one end of the country to the other have tended to retain regulation of licences and the like and have not chosen to follow the example of the United States and move in the other direction.

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LABOUR RELATIONS

REASON AIRCRAFT OPERATIONS PERSONNEL WITHOUT CONTRACT

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is directed to the Minister of Labour: it concerns the aircraft operations group which is responsible for civil aviation, and public employees.

Can the minister tell the House why this group has been without a contract since 1975? Also, can he tell us whether any recent offer was made by the government based on the principle with which the minister agrees, comparability with the private sector?

Hon. Martin O'Connell (Minister of Labour): Mr. Speaker, I will have to look into that matter and report back.

Mr. Fraser: In the absence of the President of the Treasury Board, I should like to direct my supplementary question to the Minister of Labour. Given the fact a senior official has stated that civil aviation inspectors are the backbone of the organization, in conjunction with other related officials, and the guardians of aviation safety in the country, will the Minister of Labour keep in mind his commitment to comparability, personally investigate this matter and report back to the House at the earliest possible moment?

Mr. O'Connell: Yes, Mr. Speaker, I will be very pleased to do that.

On the question of comparability, it is the government, or all of us on this side who are seeking to convince public service unions that they ought to accept the principle of comparability. We brought forward a bill which stated the policy of the government in legislative form to implement the principle of

comparability. It is not us who are dragging our feet; it is the unions which do not want to enter into comparability. It sits strange with me that the hon. member would suggest that that is the principle which is at stake.

Mr. Speaker: The hon. member for Wetaskiwin.

Mr. Fraser: I have a supplementary question, Mr. Speaker.

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URBAN AFFAIRS

REQUESTED EXTENSION OF DEADLINE FOR SOLAR EQUIPMENT MANUFACTURING GRANTS

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is directed to the Minister of Public Works and Minister of State for Urban Affairs. Because of recently changed formats in the 70-page application form, and in order that small business as well as large business can take advantage of solar equipment manufacturing grants, would the minister be prepared to extend the deadline for these grants beyond tomorrow?

[*Translation*]

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I thank the hon. member for giving me notice of his question, which enables me to say that those who used the old form for this project will not be penalized. They just have to use that old form and give the required information.

SUBSIDY PROGRAM FOR COMMUNITY SERVICES—ACCEPTANCE BY PROVINCES

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my question is directed to the Minister of Public Works and Minister of State for Urban Affairs. In 1978, the minister proposed to the provinces a subsidy program for community services for the years 1979 and 1980. A budget of $150 million was to be provided for 1979 and a budget of $250 million for 1980. It was to be the responsibility of the provinces to accept that program and to establish what community services are eligible, and the province of Quebec was to have $47.1 million for 1979 and $78.5 million for 1980. Can the minister tell the House whether all provinces have accepted that proposal and did the province of Quebec make its proposals for the distribution of the budget among the municipalities of the province?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I can say that all provinces have accepted that program in principle. As a matter of fact, agreements were signed with some of them and discussions are proceeding with the others, and we hope to be able to sign at last the agreements with all the provinces in the near future.

[Mr. O'Connell.]

[*English*]

POST OFFICE

INCREASED COST OF POSTAL PLANT IN MONTREAL—REASON THEREFOR

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is directed to the Postmaster General: it refers to the information indicating that the cost of the major postal plant in Montreal now has increased fron $141 million to $179 million and will likely go to $200 million.

Some hon. Members: Shame.

Mr. Dinsdale: In view of the large sum of money involved, and the minister's explanation that they were caught with their pants down a little on the technical points of the construction, will the hon. minister be a little more specific as to how this squandering of public funds took place?

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, I think there is nothing exceptional in this project. If the hon. member for Brandon-Souris would read the article, he would see that I was well quoted and not misinterpreted. I explained exactly what happened in major construction projects. For example, this project happened between 1975 and 1979, and the same happened when I was mayor of Quebec city. It also happened in private enterprise. In those four years there was the Olympics project, the James Bay project, and there was inflation. The spread between the estimations and the actual cost at completion of the job was perhaps 20 per cent, 25 per cent or even more during that period. Such increases are nothing extraordinary, even in private enterprise.

Mr. Dinsdale: Arising from that explanation, would it be fair to conclude that this is just another example of the Canadian public being taken to the cleaners by the government?

Mr. Speaker: The hon. member for Regina-Lake Centre.

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RAILWAYS

REQUEST THAT PRAC RECOMMENDATION FOR RAIL LINE ABANDONMENT IN SASKATCHEWAN BE REJECTED

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, further to the questions asked by the hon. member for Qu'Appelle-Moose Mountain, I should like to direct a question to the Minister of Transport.

On June 15, 1974, the Prime Minister said that as long as elevator companies considered continued rail service was warranted, the government would not abandon a single rail line, and the minister made similar comments on June 8 and June 11.

Since the Saskatchewan Wheat Pool requested that 22 of the 25 subdivisions in Saskatchewan be retained as a means of removing uncertainty, and since the Prairie Rail Action Com-

mittee's version of uncertainty is to remove lines, in line with the commitments of the Prime Minister will the minister reject the recommendation of PRAC dealing with the 22 subdivisions in Saskatchewan?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, a good deal of the examination has gone into the question of service to particular elevators since the time of the statement by the Prime Minister.

In looking at the question, the Hall commission knew, on one hand, that elevator companies would not willingly indicate that they would give up service on any particular line but, on the other hand, many times they made it clear that they were required to significantly give up service in particular areas and cut back in the number of remaining elevators.

● (1500)

Obviously, at that point the Hall commission recognized that they could not let one elevator company keep a couple of elevators on one line and the other company keep a couple on the other line, when comparable service to farmers could be provided by those elevators being rearranged in a different way. Hence, the Hall commission reached certain conclusions about lines to be abandoned and lines to be retained.

The Prairie Rail Action Committee has been continuing this work with an eye on the over-all cost of rebuilding the lines. The point is that unless the lines are rebuilt, they will die and it is not just a matter of keeping the lines but a matter of rebuilding them. This is very expensive and it has to be looked at seriously, and I think that that is the process we have engaged upon.

I say again to the hon. member and the elevator companies that if they have a particular case to make, they can be assured of the opportunity still to make that case to the Canadian Transport Commission. That is where the next decision point lies.

Mr. Benjamin: Mr. Speaker, the case has been made two or three times on every line. The president of the Saskatchewan Wheat Pool calls the PRAC report an insult to farmers, not to mention the Saskatchewan Wheat Pool.

In the area of removing uncertainty, will the Minister of Transport reject the recommendations of PRAC which go beyond its terms of reference and put those lines in the basic network or leave them there and, secondly, will the minister tell the House whether or not it is true that even after a line is designated to be kept by his department or the CTC, it still requires examination by the CTC every five years thereafter which, in effect, perpetuates the uncertainty?

Mr. Lang: Mr. Speaker, the lines which we have transferred to the basic rail network do not require any further examination until the year 2000.

I am glad the hon. member almost referred to me as the "minister of transfer" because one of the things my department has been doing is transferring line after line to the basic rail network, to the point where today 80 per cent of the prairie rail system receiving grain is firm, permanent and transferred to that basic network; and that is after years of nothing having been done about the issue.

In addition, we have a program for rebuilding those lines so that at the end of the seven-year or eight-year period, those lines will not just be lines on a map—which is all the hon. member has been talking about, years gone by—but they will be substantially rebuilt, with the ballast and the rail necessary to carry fully loaded hopper cars, and we will have a rail service fit for the twentieth century and the twenty-first century, not for the eighteenth century to which the hon. member belongs.

ROUTINE PROCEEDINGS

[*Translation*]

WAYS AND MEANS

TABLING OF THREE NOTICES OF MOTIONS

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, pursuant to Standing Order 60, I am tabling three notices of ways and means motions and ask you to designate the order of the day necessary for the consideration thereof.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, I wonder at this point if I might ask the deputy government House leader for the legislative intentions for the balance of today, tomorrow and into next week?

Mr. Cafik: Mr. Speaker, today we will deal with Bill C-35, the government reorganization bill, followed by Bill C-2, the health resources fund amendments, and then Bill C-13, the Electricity Inspection Act and Gas Inspection Act amendments. On Friday we will move to Bill C-9, the public referendums bill.

* * *

NATIONAL UNITY

TABLING OF TASK FORCE REPORT "A FUTURE TOGETHER"

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would like to table in both official languages the report of the task force on Canadian unity entitled "A Future Together", along with its observations and recommendations.

This report is a landmark contribution to the collective search by Canadians for a more harmonious and secure relationship between our linguistic, regional and cultural com-

munities. I am confident the report will take its place as a document of the first importance, and it is a source of great satisfaction to me that the report should be the product of an initiative taken by this government.

[*Translation*]

Our creation of the task force took its place alongside our other initiatives to advance Canadian unity and the renewal of our federation. The report comes after intensive negotiations between the federal and provincial governments, and at a time when we are about to hold a second first ministers' conference on the constitution. It can only reinforce the urgency which our government and several of the provincial governments have attached to constitutional reform. While the commissioners recognize the profound and urgent character of the crisis of Canadian unity, they have written a report marked by the optimism and even serenity arising from their faith in the immense value of Canada for all its people. The wisdom of the commissioners is evident in their ability, arising from a strong will and a spirit of compromise, to submit a unanimous report. This is all the more remarkable given the comprehensive scope of the task force's analysis and the short period which it had to complete its work.

Mr. Speaker, I believe that we in this country and in this House should express deepest appreciation to the co-chairmen, Mr. Jean-Luc Pepin and Mr. John Robarts, to the other commissioners, to the staff of the task force, and to all those Canadians who contributed to the report.

[*English*]

I am sure that all members of the House, all members of the provincial legislatures, and many thousands of Canadians will want to read and reflect carefully on this report. Given the nature and urgency of our present crisis, I believe we should try to use this report to improve our understanding of the nature of our problems and to seek as much agreement as possible on the principles and methods of their solution. Individual passages or recommendations in the report will give rise to some disagreement, but I believe it is incumbent on us to try first to understand the over-all analysis and principles of the report before we take issue with this or that specific point. We will find a solution to our national crisis only through a wise spirit of accommodation. My plea is all the more important because the report is so remarkably well integrated, with its different elements depending closely on one another.

Although the government for its part will want to study the specific recommendations carefully and take issue with some of them, I can tell the House now that the government accepts the broad lines of the task force's analysis of the problem and endorses the basic principles which it believes should underlie the renewal of the Canadian federation.

[*Translation*]

First, the report is clearly federalist in its orientation and it advocates the entrenchment of basic rights in our constitution. Thus it is consistent with the two essential pre-conditions which this government has advanced for renewal. The commissioners' commitment to federalism in the Canadian context comes as a conclusion to its analysis of the nature of Canada and of the principles which should govern our relationships.

The commissioners deeply believe that federalism, better than any alternative, is sufficiently consistent with the realities of Canada and the aspirations of Canadians. What is more, they state their conviction that any proposal to create a new arrangement with an independent Quebec joined in some sort of association with the rest of Canada would be inconsistent with the realities of the country and therefore unacceptable and unworkable.

Second, the report bases its analysis on the intricate structure of Canada: a structure which combines both a multifaceted dualism, and a complex regionalism.

● (1510)

[*English*]

Third, the commissioners set forth three objectives for Canadians which I am sure will receive wide support and which recall the government's own position set out in "A Time for Action." These objectives are, and I quote:

—to treat diversity as a national resource rather than a social problem;

—to encourage greater sensitivity to the Canadian dimension of our lives; and

—to seek to understand as well as possible the major forces operating on Canadian society and to develop public policies and institutions on the basis of that understanding.

Finally, I must admit to taking special satisfaction from the way in which the commissioners have largely supported the official language policies of the government and their recognition of the great gains these have produced. I am quick to acknowledge that this policy was largely supported on both sides of this House, Mr. Speaker, and I hope the report of the task force will ensure that the Official Languages Act continues to receive broad, non-partisan support.

I will stop here. This day belongs to the members of the task force and the thousands of Canadians who contributed to their report.

Some hon. Members: Hear, hear!

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, on behalf of the official opposition I want to express our appreciation of the work that has been done by members of the task force and to express the view that we have before us a document that is exceptionally helpful, not just in the detail it proposes but also for the sense of direction it brings to the discussion about the future of this united nation and about the change in tone that is going to be necessary if we are to accomplish the goal of ensuring that the nation continues strong and united.

Some hon. Members: Hear, hear!

Mr. Clark: I think that one of the signal accomplishments of the members of the task force in this report is not simply that they have made another contribution to the debate, but that

they have, rather, enlarged the focus of the discussion and of the serious questions on the agenda of Canada at the present time.

I must say that I regretted the initial preoccupation, in some preliminary reporting, with the response of the commissioners to the hypothesis relating to the possible development of a majority will in the province of Quebec to separate. I know that many of us have learned the danger of dealing with hypotheses. I am sure the task force would not want, nor would any of us in this House want, the very important substance of their recommendations to be detracted from by that particular observation.

Certainly there is no question about the position of this party nor, I think, about the position in this parliament regarding the determination of Canadians to achieve reforms in our federal arrangements that will accommodate and reflect the lively determination of various regions to find their own *amusement* within the context of a strong and united nation.

Some hon. Members: Hear, hear!

Mr. Clark: Someone across the way interjects that I did not say "federal", Mr. Speaker. In this party, and I hope in this chamber, it is not necessary for us to underline the reality that what we are looking at is a federal arrangement, a federal arrangement that will work, that can be strong and can accommodate the aspirations of all Canadians.

Some hon. Members: Hear, hear!

Mr. Clark: This task force is important in what it is and it is important in what it has done. It is a group of authoritative Canadians who do not have vested interest to protect, except a vested interest in the continuation of this country, and who are reporting to us today after extensive and direct consultations with the people of Canada.

What the task force has done is to propose several specific changes, some of which will be highly controversial here and certainly some of which will be highly controversial in the other place. The great service is that in this debate it has moved us above specifics to reflect the widespread belief that exists in Canada that some significant and fundamental changes are necessary if we are to maintain and preserve this nation.

[*Translation*]

As is known, Mr. Speaker, as leader of a national party I have had many opportunities to travel across the province of Quebec and to discuss with Quebeckers about possible changes in the nature of the society of a federalist country. I often noticed that for most Quebeckers it was not enough to speak only about specific changes, about detailed changes as in the case of culture and communications. What people seek in Quebec as well as in Alberta is an indication of a will to consider somewhat more deeply such changes that can help keep together the federal system and at the same time contribute to the well-being of Quebeckers and other citizens across Canada.

[*English*]

Finally, Mr. Speaker, I think it is very important that we move from a stage where we have been perhaps too occupied with details and recognize that there is, not simply among elected officials, among commissioners and task force members, but among the Canadians this task force has been consulting, a very real determination to contemplate some significant changes in the form of our federal nation in Canada.

One thing that it is very important for us all to recognize as we look at this report is that there are a number of matters which will require detailed discussion and which will ignite some significant disagreement in this chamber and in the country. I do not think it is appropriate to enter into that detailed discussion at this time, but I think it is worth drawing attention to some aspects of the report which are particularly important.

I am struck by the fact that for virtually the first time in a decade we have an extensive work done by an authoritative group on the serious and fundamental problem of the division of power in this country. Indeed, I think it is fair to say that this document reflects the first major study of the direction that a new distribution of power might take.

I think a very valuable contribution of the task force is the emphasis that has been placed, properly and importantly, on the need for improved co-operation among governments at federal and provincial levels to ensure that our economic policies are integrated and are moving forward together.

Again, I think it very valuable for the debate that is in progress in this nation that we have from the task force their recognition and description of the provinces of Canada as the principal vehicles of regional expression, including, and perhaps particularly including, the province of Quebec.

● (1520)

I think it is very important for us in this House to consider very seriously the changes that have been proposed in some of the national institutions, including to consider with an open mind some of the changes that have been proposed for the means of composition of this particular parliament. Those specific proposals put forward by the task force have been very helpful. Other proposals will lead to very serious concern in some parts of the country, particularly those relating to the rights and status of minority language groups in various provinces, and will require further discussion here and elsewhere.

It is important that we acknowledge that the road toward a strong and united nation requires a recognition that we are engaged here in a process. It requires, as the task force members pointed out, a much greater understanding of our country by Canadians. Each of us comes simply from one corner of it; we need to give much more attention than we have to means of getting Canadians to travel across the country, to make them more informed about regions other than their own. It clearly requires a high investment in tolerance and understanding in this country. It means that we have to build upon

the successes we have had—and we have had some successes. But it means that we have to be prepared to put aside preconceptions that have not worked.

I would like to say at this time, Mr. Speaker, that I think we have followed for too long the pretence that a language policy or an amending formula or any other single act would unite this country, or indeed that a referendum or any other single act would destroy this country. So life is not as simple as theory is.

The task force report confirms the view that for some time now the constitutional policy of the central government has been dramatically out of step with reality in this country. Of course, some of the government's initiatives have been valuable, and the task force quite properly applauds, for example, the progress that has been made in easing and encouraging the access of Francophone Canadians to the services of, and to significant roles within, the national government.

But if individual programs have seen some success the general pattern of the decade since our centennial has been for the people and the parts of this country to move in one direction and the central government to move in the opposite direction. The stark conclusion of the work of the task force is devastating. I quote from page 35 of the English version:

> One of the principal sources of the crisis is the erosion of the belief that the current arrangements of the country promote the common good.

Sir, what is important for parliament to recognize is that it is not simply a case of some of the current arrangements becoming out-moded, although that has happened; it is also that some of the new arrangements imposed by this government go against the grain of the country. This government has resisted regional aspirations when they should have embraced those aspirations. They have concentrated political power when some of that power should have been dispersed. They have been so preoccupied by their intellectual view of what Canada should be that they have ignored what this nation is.

Some hon. Members: Hear, hear!

Mr. Clark: All of us who have the opportunity to travel the country know that we have every reason for confidence. Indeed, all of us who have the opportunity to travel the world—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Clark: —and if I may in passing, I suggest to hon. members opposite that if they want to know the world better, it would be best for them to travel themselves and not rely upon journalistic reports.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: Certainly anyone who has the opportunity to compare the resource potential and the cultural potential of this nation with the potential of other nations knows that we have every reason for confidence in the future of this country.

Some hon. Members: Hear, hear!

Mr. Clark: We are very much a country to grow in.

[*Translation*]

And I think that there is a statement in this report which must be emphasized. It is to the effect that Quebeckers are now less concerned about their survival and more about their development. That is a very significant change in attitude. They have moved from a negative to a positive approach. More than ever Quebeckers feel proud and sure of themselves. And I am convinced that most Quebeckers are aware that a new Canada would facilitate their development which I feel is of paramount importance to all Canadians.

Reforms are necessary, but the best spring board to achieve this development of the Quebec people is a country filled with opportunities, and Canada is such a country.

[*English*]

The first ministers are meeting again in constitutional conference in a few days. I would certainly hope that if it fits their agenda it will be possible for them to consider the report that has been put down by the Task Force on Canadian Unity. But I also hope the Prime Minister (Mr. Trudeau) will indicate his willingness today to refer this report to the Special Joint Committee on the Constitution of Canada that has been established by this House and by the other place so that it will be possible for the House of Commons, which is the central legislative agency of this country, and the Senate to carry on discussion of some of the very important new dimensions that have been given to this debate by the report which we have been honoured to receive in this parliament today.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I would like to begin by saying that in my view and that of my colleagues all Canadians should thank the commissioners for the very fine work that they have done.

Some hon. Members: Hear, hear!

Mr. Broadbent: As has already been indicated by the Prime Minister (Mr. Trudeau) and the Leader of the Official Opposition (Mr. Clark), the commissioners have taken a serious and comprehensive look at the problem of national unity, recognizing it has very complex economic, social and political dimensions. The commission has ably explained our heritage and our difficulty in language that Canadians can clearly understand. But importantly Mr. Speaker, they have provided Canadians with an opportunity to look at our complex situation in a very positive context.

[*Translation*]

The report of the task force certainly contains precise recommendations, but it is mostly with a wide open approach that it indicates the way to build a new Canada and ensure

national unity. The task force strongly affirms its commitment to federalism. It also emphasizes that the uniqueness of Quebec's culture may be preserved and fully developed within a united Canada. We agree with that statement.

[*English*]

The report shows that Canadians throughout our various regions, and not simply in Quebec, have legitimate grievances with both the present structure of federalism and with the ongoing nature of government policies. It has proposed a number of workable solutions to these grievances. I find it refreshing that the task force recognizes the problem of national unity is not simply a constitutional matter and that the development of the national economy for the benefit of all Canadians in all parts of the country is a crucial element in keeping us united.

● (1530)

Some hon. Members: Hear, hear!

Mr. Broadbent: The commission recognizes the necessity for an industrial strategy, and makes it clear, contrary to some of the reports that have appeared in the press, that to achieve this there can be no substitute for the federal government having the major economic power in this country. This is a point which I have been stressing for many months and I welcome the report's clarity in this regard.

As for some of the specific proposals and recommendations contained in their report, I want simply to say that there are a great many which are positive and beneficial as well as some, as should be expected, which ultimately a number of us will have to disagree with. In terms of the positive ones, I think particularly of the highly imaginative and constructive approach it has taken in recommending a list of several categories of powers to be distributed between the federal and provincial governments. I repeat, this is one of the most imaginative and constructive parts of the report and requires the most serious consideration by members on both sides of this House as well as the provincial governments.

I think also of the acceptance of the proposal I made on behalf of my party to strengthen regional input in Ottawa by adding additional members to the House of Commons on a proportional representation basis from the provinces.

Some hon. Members: Hear, hear!

Mr. Broadbent: In the days between now and the first ministers' conference, my colleagues and I will be studying the report very carefully indeed. I will therefore refrain at this point from making any further comments on specific recommendations of the commission. I want, however, this afternoon to draw particular attention to the framework for constitutional reform suggested by the commission because I think it is singularly appropriate.

At one point in its report the commission lays out three objectives of constitutional change. They are as follows. First, to ensure that our central institutions can effectively serve our common interests as a nation. Second, to provide means of greater institutional responsiveness to regional and provincial desires for more effective local control and for a more effective influence on decisions that are to be made and ought to be made in Ottawa. Third, to provide for the majority of Québécois an effective federal means of ensuring that their distinctive cultural and social ideals can not only be maintained, but can flourish.

I speak on behalf of my colleagues, and I suspect in this context on behalf of all members of the House, when I say that those of us who have the heavy responsibility—and it is heavy—for acting and voting on these matters could not work from within a better framework in dealing with the constitutional aspects of national unity than that provided for us by this commission. I repeat my thanks.

I want to conclude my remarks this afternoon by stressing that constitutions can provide a nation only with a framework. No constitution, however good, ever held a nation together. A country as complex and as rich as ours, in particular, can work only if its politicians make the right policy decisions and convey the right set of attitudes over a period of time.

The question of continuing political leadership in the broadest sense is therefore crucial to any federal state. In our own day, I cannot overemphasize the relevance of economic policy on the one hand, and an honest, Canadian nationalism recognizing what the commission has called our duality on the other. As I said in a debate on this subject which took place in parliament a year ago, we as politicians should be noting with pride the remarkable creative accomplishments by French and English speaking Canadians, particularly, but by no means exclusively, during the past two decades.

Simultaneously, we should at long last be charting a course in which Canadians would gain economic control of our country. In short, given the proper constitution, we politicians must convince Canadians in Atlantic Canada, Quebec and the west that we as a people, can create a country that is both just and exciting. Ultimately, it is that which holds a nation together.

● (1540)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the commission on canadian harmony, as I would call it, has tabled its report. Since I have just skimmed through it, I cannot voice an enlightening opinion on its substance. Even the right hon. Prime Minister (Mr. Trudeau) expressed reservations in his statement because he had not had time to read it entirely and ponder over it. I am sure, Mr. Speaker, that all my colleagues will realize that I am entirely justified in making this point clear.

In my opinion, Mr. Speaker, this report comes in just at the right time because a federal-provincial conference likely to determine the future of our country will be held in February. This is why I urge all members to study this report carefully because it was prepared following investigations and hearings held across the entire country. As the right hon. Prime Minis-

ter put it eloquently, the commissioners have succeeded in presenting a unanimous report even if they were of different views. Some of them had reservations about certain points but they overcame this in their desire to present a unanimous front to help the federal and provincial governments work out a new constitution.

Mr. Speaker, in the name of my party, I also wish to thank the members of the task force who have done a very commendable job and who had to work many evenings to table a report that will serve as a guide to the federal government, the Canadian parliament, as well as the provincial governments of our country.

Mr. Speaker, I would like that a copy of this document be made available to all Canadians so that they could realize the seriousness of the situation and be sufficiently informed when the time comes to take a final decision to accept or reject a new constitution which would guide our country in a future of harmony and progress.

Mr. Speaker, when I was a schoolboy and saw a large colour painting of the fathers of confederation, I was impressed by the solemnity of their faces and the magnificence of their clothes. I could feel these Canadians had worked to give our country a constitution we could be proud of and which would enable us to live in harmony on our land, and that both English and French-speaking Canadians would share this land, secure from the quarrels that divide us and make us unhappy. Today, in the statements that have just been made by the spokesmen for the various parties, I heard the word "Quebec" which kept cropping up in their vocabulary. Well, Mr. Speaker, I for one would not like you to be concerned about Quebec owing to the possibility of a government who wants to hold a referendum to decide whether Quebec will remain in the confederation or not.

Mr. Speaker, our nation is a more serious reality than that. We must, and that is our responsibility, give our country a new constitution. It has been long enough since we started discussing whether or not we are going to repatriate the 1867 constitution. And I believe, and I already said so in the House at the time of the debate on the right hon. Prime Minister's motion in July 1978, that it is important for us to give our country a new constitution. I made proposals at that time concerning the way the new constitution should be prepared, either by the public, or by our civic groups, by all serious organizations in our country, as long as they are not political groups, which would be able to submit consistent views in order to help our politicians in their efforts to draft a new constitution which would give any Canadian equal chances, regardless of his language, religion or province of origin.

And I am convinced of one thing, Mr. Speaker, that is every province in our country wants self-determination. I can see here in the task force's report a passage which roused my curiosity earlier today, a very meaningful passage, at page 74 of the English version, in the chapter entitled "The Quebec economy and federation." What did the commissioners say?

Quebec's dissatisfaction with Confederation goes beyond economic considerations. It is rooted in the Canadian federal system which in the eyes of Québécois has somehow failed to give Quebec the desired degree of political autonomy in several important policy areas. While the issues are exceedingly complex they largely revolve around political matters such as the distribution of powers.

In that respect all governments in Canada, whatever their political colours, must plead guilty. We have to admit that openly because the constitution of 1867 was not applied to the letter and the central power in many cases took away from the provinces the areas of jurisdiction that presented provincial governments from fully exercising their responsibilities with respect to their subjects. I am not blaming anyone here, I am merely stating a fact, and the commissioners continue to want that. And yet, in the debate surrounding the possibility of seeing Quebec separate from the rest of Canada, economic questions play a large role.

Mr. Speaker, if economic questions play a large role, we must include financial questions. I am sorry, I read again in yesterday's *La Presse* that the government of Quebec was going to borrow another $150 million in the United States. Mr. Speaker, as long—and here I urge the right hon. Prime Minister to think seriously about this—as the Parliament of Canada and the government do not take the responsibilities so that the matter of the creation of the money supply in this country is not the responsibility of chartered banks but the responsibility of the government through the Bank of Canada, we are going to have problems of that nature. Canadian harmony will not be possible because the various governments go beg abroad the permission to develop our natural resources for the benefit of Canadians. I am sorry that the commissioners—at least I did not see it—did not deal with that aspect of the problem that divides Canadians.

Mr. Speaker, I would like to conclude by commenting on what the Prime Minister said in his statement earlier. He insisted on the objectives set out by the task force on page 4 of considering that diversity as a national resource and not a social problem. On that I agree, we cannot all be the same. There are as many diversities as there are individuals. There are as many diversities as there are cultures. And in spite of that, it could be possible to live in harmony if we used the means to make us more mutually harmonious, to understand one another better and have equal opportunity to live decently right across this country, whether it be in Newfoundland or Vancouver, Quebec city or New Brunswick. That must be provided in a new constitution, and I for one, as a Canadian, am prepared to make the necessary efforts and to encourage greater sensitivity to the Canadian dimension of our lives as it is said at page 4 in the Prime Minister's statement. I agree with that but it should not be only empty words.

We will have to act, we must show courage, and our policies should not be dictated by financiers who are growing ever

richer at the expense of the government, at the expense of the poor. That situation must come to an end and this is the only way to have harmony in Canada. I am prepared to co-operate with the Prime Minister and with parliament. We should stop praising each other, we should tell the truth. We must now suggest means and solutions. Many times people have laughed at Social Credit members and their financial options. That was called "funny money", but considering what our dollar is worth today it is no longer funny.

Everyone bows before international finance. This has gone on long enough. It is time to stand up straight. Let us show that we are proud people who can take our responsibilities, that this parliament, its 264 members, its Prime Minister and ministers are able to take their responsibilities, and we shall see that there will be harmony in our country whatever our age, our religion, and our linguistic policy may be.

The Prime Minister has made enormous efforts. There have been resignations in his cabinet. However, these efforts must continue because it is essential that, from the east to the west and the north to the south of our country, each Canadian who wishes to speak English or French can do so with dignity without being embarrassed and that each Canadian can communicate with the Canadian government institutions in the language of his choice. I am not ashamed to say so, Mr. Speaker.

• (1550)

[*English*]

Mr. Clark: Mr. Speaker, I have a question for the Prime Minister. In order that we might be assured that the very valuable report by the task force not be lost to this parliament, I wonder if the Prime Minister would give us an undertaking now that it would be his intention either to reconstitute the Special Joint Committee on the Constitution of Canada and refer the document to that reconstituted committee, or refer it to a standing committee of the House.

Mr. Trudeau: Mr. Speaker, the government, in the Speech from the Throne at the beginning of the session, indicated that it was anxious to bring the constitution and the whole unity problem before parliament for debate. The Leader of the Opposition is suggesting one way, to which I will give consideration; but I suggest we should wait for the first ministers' conference, which will be held in about ten days, and see the results of it, following which perhaps we will find it more profitable to introduce the debate in some other form in the House.

Hon. James Richardson (Winnipeg South): Mr. Speaker, I would like to address a question to the Prime Minister (Mr. Trudeau). As the Prime Minister knows, the Task Force on Canadian Unity travelled extensively in Canada and heard many views. I know something about those views because I participated at the meeting in Winnipeg and made a presentation to the task force, but the report that we have before us today in many respects does not reflect the view of the Canadian people which I heard expressed not only in Winnipeg but in other places. On the other hand, it seems to follow very closely the pattern of the old Bill C-60 which was before the House and "A Time for Action" to which the Prime Minister himself referred a few moments ago.

My question to the Prime Minister is whether he believes that this report which we have before us today is a reflection of the will of the people of Canada, or is it just a reflection of a few hand-picked members of the task force?

Some hon. Members: Shame!

Mr. Richardson: I ask the Prime Minister in all sincerity, through you, Mr. Speaker, is he hearing from the people or is he hearing from a few members of the task force who are echoing his own words?

Mr. Trudeau: Mr. Speaker, I will point out to the hon. member that the task force was not just composed of a few members but was made up of a large group of Canadians from all walks of life and all parts of Canada, and they spoke with one unanimous voice. I think it is demeaning to them to suggest that they are merely echoing the government's policies. If the hon. member were to address himself to some of the recommendations, he would see that there are some divergencies, some honest ones.

As to whether or not they speak for the people of Canada, I think they did their best to reflect remedies which would be good for Canada. That is not to say that all Canadians are aware of what those remedies are. I think the hon. member is an illustrious example of one member who does not seem to be aware of what is necessary to keep Canada united now.

As to who speaks for Canada, I imagine no one speaks for Canada more than the parties in the House, and the four leaders of the parties have said that generally they support the task force report. So it would seem to me that the hon. member is rather in a minority in suggesting that this report is not important and does not correspond to the needs of Canada at this time.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, I should like to ask the Prime Minister, both in the context of what the report recommends and of the forthcoming first ministers' conference, if it is still the government's plan, if it does not get very substantial agreement at the first ministers' conference, to go ahead and propose during the life of this parliament a form of legislation to the House, amendments to the constitution as they pertain to areas that are exclusively within federal jurisdiction?

Mr. Trudeau: Mr. Speaker, if a consensus developed at the first ministers' conference, I think the House would want to look at it and decide in what way it could appropriately move forward with this consensus. I cannot predict what will happen at the first ministers' conference, but the leader of the NDP asks if we would move on some things. It would really depend.

I do not think that just a partial agreement on some items but profound disagreement on others would necessarily lead us to present a reformed Bill C-60 in the House or some other resolution. In other words, in some areas the federal government is making very sizeable suggestions to the provinces for transfer of powers to the provinces. In return, we expect the provinces to accommodate, as the task force itself suggests, to the need for greater federal powers in other areas. I cannot predict what the position of the provinces will be, and therefore I cannot attempt to answer the question.

Mr. Broadbent: I am not sure if the question was put with great precision but I certainly think it was not precisely understood. I am asking the Prime Minister, in those areas constitutionally within federal jurisdiction but which are of interest to the provinces, if the Government of Canada does not obtain agreement at this conference on a change within those areas, the government intends to provide legislation during the life of this parliament?

Mr. Trudeau: I understand the question. As a matter of theory, of law, of the constitution, the government still holds that section 91(1) of the constitution would permit us to move in areas of federal jurisdiction even if the provinces do not agree. That is still the position of the government.

An hon. Member: Do you plan to do it?

Mr. Trudeau: Whether or not I plan to do it would depend on what emerges from the conference. If the provinces are reasonable in suggesting modifications to the proposed Bill C-60, we will be reasonable in accepting those proposals.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I would like to ask the right hon. Prime Minister if the agenda of the next federal-provincial conference has been prepared and submitted to the governments of the various provinces. If not, does the Prime Minister plan to include—with the agreement of the other governments, of course—consideration of the report of the Pepin-Robarts Commission on the agenda of the next federal-provincial conference?

Mr. Trudeau: Mr. Speaker, the last time I wrote the provincial premiers, which was several weeks ago, we were not aware that this report would be submitted before the conference, and consequently, I could not foresee the situation mentioned by the hon. member. The Minister of Transport, who was in Vancouver yesterday, has informed me that the provincial delegations have in fact begun to discuss this report. One way or another the contents of this report will probably come into play during our discussions in early February. I cannot give any guarantees to the hon. member that the premiers will want to make this a special item on the agenda, but I shall consider the question of the hon. member when finalizing the agenda.

• (1600)

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary for the right hon. Prime Minister. I noticed during the next before last federal-provincial conference one fact in particular, which is that the right hon. gentleman submitted to the provinces a number of considerations to try and come to an understanding and draft a new constitution. If I am wrong, I hope the right hon. gentleman will correct me. In the spirit of the October conference, were the Canadian government and the provinces in agreement to try and evolve a new constitution to correct the current shortcomings and sources of disagreement, and if so will it be possible, even though the Prime Minister suggests provincial governments are aware of it, to try and include this in the agenda, so that they will be a good start, because I feel this is the key conference?

Mr. Trudeau: I share the hon. member's view that this indeed is a key conference. I can assure him that at the end of the October and early November conference there was no universal agreement. But on the issue of particular interest to the hon. member, I can assure him that all first ministers were in agreement to suggest that the need for constitutional reform is real and urgent.

Mr. Herb Breau (Gloucester): Mr. Speaker, although I did not have time to read the report in detail, I find in it an eloquent reference to the need for entrenching basic rights in our constitution, in our constitutional system. Could the Prime Minister state whether he feels the government's policy in this area is strengthened by the report, and whether it is still government policy to entrench basic rights and language rights? In the absence of agreement among all provinces, entrenchment should at least proceed on federal rights, language rights and basic rights, so that provinces wishing to do so can do so for federal rights and others in those provinces, which would give language rights to Acadians because it is the New Brunswick government's position to look for entrenchment of those rights.

Mr. Trudeau: To the hon. member's first two questions the answer is yes. We consider that those aims are indeed essential. But as for the procedure mentioned by the hon. member, I would refer him to last session's Bill C-60. There he will find that was precisely the procedure suggested by the government, namely to ensure protection of linguistic rights at the federal level as well as in the provinces which would accept to be committed by that protection, that basic charter of human, citizen rights. But I must add that at the upcoming conference we will have to keep an open mind to see whether there are other techniques to achieve the results the hon. member and I are hoping for.

[*English*]

Mr. Speaker: We will conclude the questioning with the hon. member for Yorkton-Melville.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the report contains a number of pages which deal with native and Indian rights. I should like to ask the Prime Minister (Mr. Trudeau) what his thinking is on that important question. There is a lot of concern about treaty rights and land entitlements, and now there is a dispute between the federal and provincial governments over such matters as health care and education. Some interesting recommendations were made in the report concerning Indian language and culture, as well as the constitutional position of first Canadians. What is the Prime Minister's reaction to these recommendations? Of course, this is something the Indian peoples are very interested in.

Mr. Trudeau: Mr. Speaker, I support entirely the position of the commission when it indicated that native peoples have a special place in Canada. The commission went on to point out that apart from the linguistic duality, the heritage from the British Isles and France, we have to add the so-called third group of new Canadians; but we must take into account the rights and obligations of the oldest Canadians, the native peoples. In principle, the report is very concerned and very correct in pointing that out. As I have indicated, some of its recommendations will bear further discussion not only by the government but by all members of the House before we can give an answer.

* * *

ENERGY

REFERENCE TO STANDING COMMITTEE OF DOCUMENT "THE MANAGEMENT OF CANADA'S NUCLEAR WASTES" AND EVIDENCE ADDUCED THEREON

On the order: Government Notices of Motions:

January 23, 1979—The Minister of Energy, Mines and Resources:

That the document entitled "The Management of Canada's Nuclear Wastes", tabled in the House on Tuesday, November 22, 1977 (Sessional Paper No. 303-4/96), together with the evidence adduced thereon in the Third Session of the Thirtieth Parliament, be referred to the Standing Committee on National Resources and Public Works.

Mr. Speaker: Pursuant to Standing Order 21(2), this notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the House.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 421, 596, 632 and 830.

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

Order Paper Questions

[*Text*]

CBC—COST OF VEHICLES

Question No. 421—**Mr. McKenzie:**

1. How many trucks, vans, mobile units, passenger cars, etc., are owned by CBC throughout Canada and what is their total value?

2. How many vehicles are leased by CBC and what is the total annual cost?

3. What is the total annual cost to CBC to operate such vehicles?

Hon. John Roberts (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. As of March 31, 1978, CBC owned 540 vehicles (trucks, vans, mobile units, automobiles, etc.) with a net book value of $1.3 million.

2. As of March 31, 1978, CBC had under lease 259 vehicles. During the fiscal year April 1, 1977 to March 31, 1978, the corporation's leasing expenditures, including vehicles leased on a per occasion basis, amounted to $1.4 million.

3. Total operating and maintenance costs for both owned and leased vehicles during the fiscal year ending March 31, 1978 amounted to $1.2 million.

METRIC COMMISSION—EXPENDITURES

Question No. 596—**Mr. Neil:**

1. What has been the annual cost of the Metric Commission since its inception?

2. In each year since its inception, how many sector committee meetings have been held and what sums have been paid for travel and living expenses for such meetings?

3. What has been the cost to date of (a) printing (b) publishing (c) distributing the publication *Metric Monitor*?

Mr. Bernard Loiselle (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: The Metric Commission Canada expenditures have been:

1.	1971-72	$ 44,541
	1972-73	$ 530,943
	1973-74	$1,590,792
	1974-75	$2,634,101
	1975-76	$3,316,100
	1976-77	$4,380,300
	1977-78	$5,753,000
	1978-79	$5,974,300 (estimated costs)

2. The annual number of sector committee meetings held by Metric Commission Canada is:

1971	nil
1972	2
1973	113
1974	248
1975	292
1976	371
1977	487
1978	488

Travel expenditures, by fiscal year, for attendance at sector committee meetings are estimated at:

1971-72	nil
1972-73	$ 16,686
1973-74	$ 46,136
1974-75	$ 140,103
1975-76	$ 161,600
1976-77	$ 232,900
1977-78	$ 290,900
1978-79	$ 418,300

3. (a) and (b)

The contracts since the inception of the Metric Monitor for printing and publishing decided by Supply and Services on a competitive bid system are as follows:

	Printing	Publishing
1974	$ 26,250	$ 8,750
1975	$ 45,000	$ 15,000
1976	$ 56,000	$ 16,000
1977	$ 67,344	$ 21,000
1978	$ 67,344	$ 20,000

3. (c)

The distributing expenses for the Metric Monitor are estimated at:

1974	$ 18,012.00
1975	$ 91,205.00
1976	$109,446.00
1977	$115,743.26
1978	$ 89,330.00

MR. DOUGLAS ROWLAND

Question No. 632—**Mr. Epp:**

1. Is Mr. Douglas Rowland joining the staff of the Federal-Provincial Office and, if so (a) what will be his classification (b) are any renumerations other than salary to be paid to him?

2. What will be his specific duties and responsibilities?

Mr. Yvon Pinard (Parliamentary Secretary to President of Privy Council): 1. Yes. (a) SX-2. (b) No.

2. Assistant Secretary to the Cabinet (Studies and Research Group).

(Under the general direction of the Secretary and the Deputy Secretary (Federal-Provincial Relations) and in collaboration with the Assistant Secretary (Federal-Provincial Relations), the Assistant Secretary (Policy and Program Review) (Federal-Provincial Relations) and the Director of the Constitutional Review Section, directs the planning, co-ordination, development and presentation to cabinet committee and to cabinet, of studies across the whole spectrum of government activities with a view to developing concepts (and alternatives), for the consideration of ministers, of the ideal role for the federal government and for the provincial governments in each field of activity; assessments of federal-provincial relations by province or by region; evaluations of the impact of the broad mix of federal policies and programs on provinces, regions and on national unity.)

SCIENCE AND TECHNOLOGY PROJECT—RICHMOND

Question No. 830—**Mr. Beaudoin:**

1. Since 1968, did the Ministry of State for Science and Technology finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Ministry planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of State for Science and Technology): In so far as the Ministry of State for Science and Technology is concerned: None.

[*English*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION ACT, 1978

DEPARTMENTS AND AGENCIES

The House resumed from Wednesday, January 24, consideration of the motion of Mr. MacEachen (for Mr. Trudeau) that Bill C-35, respecting the organization of the Government of Canada and matters related or incidental thereto, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I welcome the opportunity to spend a few moments participating in this debate in two capacities: first, as the very proud representative of the largest fishing constituency in all of North America, not merely in Canada, on the south coast of Newfoundland; and also as Secretary of State for External Affairs, where the impact of the 200-mile limit, in which I am very pleased to have played a part, is a major matter of concern and indeed already some satisfaction for me.

In the amount of time available obviously it will not be possible to touch on all matters I would like to deal with in this particular debate. However, with the indulgence of the House, I will attempt to answer a number of questions which were raised from time to time, and also to give my views reflecting conversations which I have had with fishing interests in eastern Canada over many years.

Hon. members will understand and appreciate that I will be speaking principally about Newfoundland fishery matters, but that much of what I have to say applies with equal weight to all of the Atlantic fishing area. In the first place, this debate, as well as other discussions which have taken place over the years and in recent months in the House, have been extremely productive and have revealed that on fundamental questions there is a high level of agreement about fishery prospects. Now we can look to the future of the fishing industry with much more confidence and optimism than at any time in the past.

It would be a mistake to argue that there are no longer differences of view, but such differences as there are, some of which are substantial, have been revealed in discussions between members on this side of the House and members opposite, and even in discussions between members opposite themselves. The differences have more to do with methods and timing of expansion, but, most importantly, with where the economic control will lie in terms of the future expanded fishery to which we have referred.

One of the most useful results of the intensive talks was the demolition of a number of hardy and persistent myths about the fishery and the revelation that much conventional wisdom needs to be challenged vigorously. Today I hope to be able to challenge some of that conventional wisdom, not only as it is uttered from time to time here, but, perhaps more importantly, as it is uttered by pseudo experts on the outside who would probably not know a dory from a prairie schooner if they were hit on the heads with the two of them at the same time.

There are two basic questions which are central to the current discussions: first, what is the nature and potential of the fisheries resource; and second, what is the best manner to exploit it to achieve maximum benefits for Newfoundland, Newfoundlanders and, by implication, all Canadians?

It is evident from the statistics and the detailed discussions in many fora that while the 200-mile limit and various conservation measures have been of great help, as well as various things which the Minister of Fisheries and the Environment (Mr. LeBlanc) introduced, the fishery stock situation has now turned around. To use a familiar expression, we have bottomed out. I think the Minister of Fisheries and the Environment would be the first one to agree with me.

● (1610)

There will not be a dramatic overnight recovery. Even with good management practices, it will take from five to ten years to rebuild the stocks of most species that are or are likely to be important to eastern Canada. This gradual, orderly build-up is, in my view, a good thing. It will permit the expansion of the fishery to proceed in a well organized, coherent way on the three important and integrated fronts of catching, processing and marketing. Clearly, all three must be kept in phase, and there is recognition on all sides now, I believe, that our markets are not sufficiently diversified and are in a more precarious state than is generally realized.

I could spend a great deal of time deflating some of the myths that I have referred to which seem to suggest that the market situation is now one of being essentially a seller situation and that we can do virtually whatever we wish. My day to day experiences as Secretary of State for External Affairs make it perfectly clear to me that the road to better markets in the future is by no means wide open to us as yet, and that we must take a number of very careful steps if we are not to set back another decade or more the very useful, forward motion that has been introduced in the last couple of years.

We must therefore avoid being carried away by grandiose schemes and over-optimistic, exotic solutions, even though these may be appealing and on first utterance may seem to provide many of the answers. I believe it is essential that we examine all proposals for fishery development carefully and with the greatest degree of hard-nosed realism.

We must recognize, for example, that by itself the fishery cannot answer all of the economic problems of Atlantic Canada, but particularly of Newfoundland, and cannot be everywhere the employer of last resort, even if our best expectations for the industry are realized. Nevertheless, fishery development along modern lines is the best economic generator Newfoundland can have.

I have a few reasons for saying that which I would like to explain to hon. members. First, the fishery is a resource-based industry, and a renewable resource at that. Second, many aspects of the fishery are labour-intensive and therefore tremendously important in an area of high unemployment. Third, the fishery is a widely dispersed industry geographically; and fourth, a fishery-generated dollar stays in Newfoundland longer, and thus circulates more frequently among many more Newfoundlanders. I would venture to bet that it could be demonstrated by economists that a fishery dollar in the Atlantic provinces is infinitely more valuable—perhaps by three, four or five times—than any other dollar generated, let us say, from secondary industry or from some other source.

There is another overriding reason for the special place and importance of the fishery in Newfoundland. It is part of the social fabric of the province and the main supporter of a distinctive lifestyle. Whatever other elements are added, the Newfoundland fishery must be the key and foundation for any development strategy. Having reached this inescapable conclusion, we must then address ourselves to the basic question of how fisheries development should proceed.

I would like at this moment, Mr. Speaker, to express my congratulations to the Minister of Fisheries and the Environment and my admiration for him for the very thorough and solid approach which he has taken to fisheries development in eastern Canada and in the country at large. I do not believe that even the most vehement partisan in the country could possibly argue against the very clear and concise manner in which he has proceeded. Certainly, there are very few fishermen in Newfoundland who are likely to be in any way contradictory in their assessments and their views. By the same token, I think it is also to the minister's credit that he has resisted some of the grandiose plans to which I have referred and that he has been so patient in seeking to examine all of the

ramifications of various proposals that are put forward. It is eminently sensible for us now, for the first time in Newfoundland's 450 years of history, to say that we are going to take this revived resource and use it properly, something which we probably have not done since John Cabot made his first report in 1497 "that you could catch fish in a basket weighted with stones". From that day on, there has never been a coherent fisheries policy in eastern Canada, and the minister is starting now to put one together.

One of the myths which I consider has been laid to rest is that there are essentially two fisheries. All of my life, growing up in fishing villages on the coast of Newfoundland, I have heard people talk about the two fisheries as if they were indeed water-tight compartments, if you could have water-tight compartments in the fisheries context. They are described as the inshore and the offshore or deep sea fisheries.

This is a long-standing and widely-held misconception. The fact is that how the offshore fishery is managed determines the fate of the inshore fishery, and thus the fate of thousands of inshore fishermen. If too many fish are caught offshore, then there will not be enough for the inshore fishermen; if you limit the offshore catches to revive the stocks, then the inshore fisheries flourish. It is a simple, straightforward equation, and it puzzles me why it is so difficult to get the fundamentals of that statement through the heads of many people involved in the fishing industry in Canada.

It must be emphasized, of course, that the inshore and the offshore fisheries are not mutually exclusive. It is not just a question of saying that if you have the inshore you can have the offshore, and it is not a matter of having one or the other. It is very much a question of balance, and in considering what that balance should be, I believe there is now unanimous agreement—certainly there is agreement between myself and the Minister of Fisheries and the Environment, and perhaps in fisheries terms that has some relevance and importance—that the inshore fishery comes first. The primary objective and the first task is to build up the opportunities and the livelihoods of Newfoundland's existing inshore fishermen and to make it attractive for many others to enter this fishery around the province, but particularly for those who are familiar with the geography along the northeast coast.

Since this is the goal without which no fishery strategy can be successful, it therefore follows that policies on fleet development—our over-all catching capability—are of crucial importance, far too important for us to allow the development to take place helter-skelter or for us to encourage some individual enterprise, no matter how well meaning, that might very well be out of phase with the comprehensive plan which must have as its central goal the protection of that huge number of inshore fishermen in our province and throughout eastern Canada.

There is no serious shortage of catching capability at present in the Newfoundland fishery. This is another of the myths which I wish I could explode, and I hope that I will have the opportunity of doing so today, at least for those who are particularly interested.

I would emphasize once again that my constituency, ranges along close to 900 miles of coastline and it has approximately 20 of the largest fish plants in North America and some of the most skilled fishermen to be found anywhere, whose livelihood is studied by people from all over the world seeking to improve the lot of their fishermen. Therefore, I believe that my sources are impeccable, and I would take them by a long shot over theories of those people who, in good will and with all manner of initiative, would undertake separate enterprises.

● (1620)

When I talk to my constituents, these fishermen, who, by the way, are among the few in eastern Canada or Newfoundland who are on the grounds now in mid-winter, who have a most difficult lifestyle and deserve my respect and my attention, their message to me up and down the coast is that there really is not a serious shortage of catching capability at the present time, inshore or offshore.

There are some special problems, Mr. Speaker, and these are areas that require attention. As decent-minded and fair-minded people anywhere will acknowledge, the Minister of Fisheries and the Environment has not been rigid and we have moved to take care of some of these special problems. In the case of the deep sea fishery, there are areas where particular plants have not been well served, and through the minister we have made accommodations to them.

In the case of the deep sea fishery generally, however, all the stern trawlers—now the majority of the offshore fleet—are still operating at catch rates considerably below capacity. I believe that this is an important consideration for us, but not merely in the context of the offshore. If I can translate this into the larger issue of an industrial strategy for Canada, this is a classic example, in minuscule, of what we mean when we talk about optimizing our productive capability.

This fleet of vessels by and large is underutilized, and therefore we must ensure that instead of bringing in half loads or three-quarters on a trip over ten or twelve days, these vessels are maximized to bring in full loads, perhaps in a shorter time. Faster turnarounds would make sure that the vessels are maximized in terms of their capability of contributing to the general well-being of the industry. That is what the minister and governments, both federal and provincial, must look at. This is not because in some particular or other an entrepreneur may wish to add to the fleet in a specific way; rather the question is whether the totality of the catch capability is being utilized to the maximum extent.

As for the inshore fishery, Mr. Speaker, many fishermen are turning away from the more expensive boats. This is a fascinating phenomenon and the wise, experienced fishermen in Newfoundland for years have been telling me it was going to happen.

If I may be critical of the theorists and indeed of some of the minister's bureaucrats—I am sure he will not be offended

by this—there was a period when big was considered beautiful in fisheries terms.

Mr. Alexander: Oh, oh!

Mr. Jamieson: The hon. member for Hamilton West (Mr. Alexander) may not be referring to my physique when he talks about big being beautiful. He is beautiful, whether big or little, I can assure him.

In this context let me say that here is a prime example of the failure over many years to understand that the fishermen knew best. In many cases we were telling them: "You are not really as well off as you think you are because you ought to have a bigger boat, you ought to have a more complex operation." The result was that much policy—federal, provincial and private—was aimed in that particular direction. I repeat, these larger, more expensive boats are being questioned now and the fishermen are preferring smaller fishing units with smaller crews, less overhead and carrying charges, for the simple reason that they wind up with more money in their pockets at the end of the day.

When we talk in developmental terms about expansion, growth and things of this nature, I think we must always bear in mind the very germane lesson of the fishermen. You can have a fisherman as industrious as any get out with a 300-foot boat capable of being used for a variety of purposes, which costs a minimum amount of money but has modern gear, is equipped with radar and safety features. With one assistant he is going to do very well. If instead of a 30-foot boat he gets a 60-foot boat, then he has a crew of four or five people, he is paying off a mortgage no matter how generous the terms, he has added fuel costs and a whole range of other things. Although it looks great, the harbour is "cheeched" from one end to the other with large vessels. His profit is actually smaller than when he was dealing, as we say, cross-handed or with one or two people aboard with him.

In these talks about fisheries, Mr. Speaker, I have always a tendency to lapse into the vernacular. If some of the words do not convey themselves in either official language to the interpreter, I apologize.

There is much more I could say on the subject but I want to move on. Based on the fundamental assumption that the inshore fishery must be put in a healthy condition, it can be concluded—I have already concluded and am prepared to defend my conclusion anywhere before any audience at any time—that the provision of an adequate mix of inshore fishing vessels able to meet all anticipated needs is not an insurmountable or even serious problem provided all parties work together to devise practical programs of financing, orderly expansion and, of great importance, catch disposal. What I am seeking to convey is the idea that it is wrong to look through the small end of the telescope and see the problem as being of such proportions that it is simply not capable of being managed.

Just taking a figure out of the air, if you have 5,000 inshore fishermen at a cost per boat of $40,000 or $50,000, you say that is a massive challenge. If you turn the telescope around, however, and realize it is a whole series of small, individual, personal enterprises and deal with it in that fashion, and if the minister continues his humane and personal kinds of policies of sitting down with individual fishermen and groups of fishermen, then you do not have to talk in multi-million dollar terms.

Indeed, people in Newfoundland and in my riding would be perfectly happy if they were able to go to somebody and say, "I need $30,000 or $40,000. How do I go about getting it and what is the best arrangement?" If I have a criticism—which I have—of the bureaucratic structures that this government and every other government tends to create, it is that there is too little disposition to be attentive to the small entrepreneur who is not interested in becoming, and does not need a massive bureaucratic machine in order to become, self-supporting and perfectly content to be able to get off unemployment insurance or anything else that might be offered to him as an alternative.

I think it is important to recall again the linkage between the inshore and offshore fisheries. The greater the percentage of stocks assigned to inshore, the less complex the task of determining the size and make-up of necessary offshore fleets.

I want to make it clear, as anyone who has any association with fisheries will understand and agree, that what I have said about the inshore fishery does not mean that we cannot and must not have a most effective, most efficient, most modern offshore catching capability. What I am getting at and what I emphasize once again is that this mix and the emphasis put on the inshore fishery is going to determine the kind of fleet needed for offshore development. It is only possible to get this mix properly when you see the two in the same context. I realize I am getting into too much detail here for this particular audience.

This leads to another basic developmental proposition. The offshore vessel acquisition program must place the emphasis on the gradual replacement of the present fleet. The need is not for large numbers of additional vessels now; indeed, if there was a cornucopia of funds available, whether in the private sector or through governmental largesse, the answer for us on the east coast today is not suddenly to double the size of the offshore fishing fleet. What we need now is a sound, rational program which puts into place a clear picture of what the fishing fleet consists of at the present time—how old the vessels are, what is the point at which they start to become obsolete and less efficient—and then to put mechanisms in place, both public and private, so that new and modern vessels are phased in and therefore we increase our catching capability to synchronize with an increase in the stocks available. That is something which is terribly important and which will require the intricate co-operation of federal and provincial governments, fisheries representatives, the unions and everybody concerned.

● (1630)

By the way, I should add here that we also need to have a much better awareness than is universally held at this time about how we get at presently unexploited species. We have had a rather narrow range in terms of all of the various species

of fish in the Atlantic that have been attracted to Canadian processors or even to Canadian fishermen. I think we are on the road to this, but obviously there will be disageements; I have no difficulty with that. It is a question, however, of taking all of the parties concerned and discussing the matters in detail. With good will, I think we can work it out.

I want to emphasize this gradualness of the replacement program for the same reason that I talked about the inshore, and that is to counteract the erroneous impression—and it is very, very erroneous—that there is a massive and immediate need for a huge fleet of new, sophisticated offshore vessels. Perhaps those who are landlocked Canadians may welcome an explanation, if altogether too brief a one, of the costs involved. If we go to a new catching capability which will engage 10 or 12 fishermen at sea, the cost is in the many millions of dollars. That same expenditure, if it were put into inshore facilities, would engage many hundreds of persons. The relevant economics are very complex and have to be worked out so as to ensure that one does not get too large an increase in production capacity inshore.

At the same time one does not put all of the money into what is, in the absence of the proper balance, very much a high expenditure item in terms of fish fleet, capital cost in the first instance, and maintenance beyond that.

Whatever disagreements exist on this issue of fisheries—and I believe down underneath there are very few, but I repeat what I said at the beginning—there are differences of emphasis and differences of approaches, and for something as complex as the fisheries one could not really expect that not to be the case. But on the question of catching capacity there is no dispute whatever, so far as I have been able to see. I hope hon. members will understand that what I am seeking to do here is to demystify some of the frequent and repeated comments that one hears that are really not grounded in fact.

This basic conclusion which is so fundamental to what we are talking about is that in terms of conventional fish plants Newfoundland, and probably all of Atlantic Canada, have more than enough facilities, far more than enough facilities right now. So that once again when we speak of exploiting the 200-mile limit, it is not then a question of saying we are going to bring a large number of fish ashore—I have already demonstrated this is in itself a complex question—but also of saying that we must build a whole new massive infrastructure in order to look after it.

That is simply not the case. Virtually all of the plants that we have now are underutilized and their productivity is affected adversely. Some of them in seasonal areas are operating at 20 per cent, 30 per cent, or 35 per cent capacity, maybe a few even less, yet we continue to hear many reports of fishermen having to dump their catches at certain peak seasons and of some plants being unable to obtain extra ships to process additional supplies. This is a real dichotomy, a tremendous contradiction, and yet one that has so far defied some of the most intense planning that people have put into it. What we must do is to in a sense marry the supplies side to the production side, and many good steps have been taken in that direction.

[Mr. Jamieson.]

I want to emphasize here that the Minister of Fisheries and the Environment has been very forthcoming in terms of the amount of federal assistance provided through his department, through the Department of Regional Economic Expansion and in a variety of other ways in co-operative undertakings with the provinces, in this case Newfoundland. I believe we have been moving at an accelerated rate toward this rationalization which is essentially what is so important for the future.

There is one point I want to make again, and I realize in talking about this subject that there are not many more than the Minister of Fisheries, myself and perhaps our friend from the Magdalen Islands who will really understand what I am speaking about, and I hope they will forgive me for not going into more detail in the interest of saving time. One of the valuable things to emerge from the recent discussions has been to remove the curse, as it were, from that much maligned historical fishery which we refer to in Newfoundland and in Atlantic Canada as the trap fishery. For years claims have been heard that the trap fishery was a nuisance; too much small fish, the annual "glut" problem of catches too big in too short a time, and the wastefulness of dumped, unsaleable catches.

The tendency has been to "think around" the trap fishery, to contemplate its phase down or even its abandonment, and to consider it a nuisance to orderly planning. I do not know that there is an analogy in farming that I might use, but it is as though one had a crop that was 50 per cent of the value of the year's yield, but it was a bit of a nuisance and you kept saying to yourself: "How can I get rid of this particular crop?". It took us in our case maybe 450 years to realize that it is fundamental to what we are doing in fisheries on the east coast.

The fact is that without the trap fishery there simply cannot be a viable inshore fishery. The trap remains the most efficient catching method yet devised in inshore terms, and well over 50 per cent of the cod landings come from traps during the relatively short season. In brief, an effective inshore strategy must be built around the trap fishery. It must be the centrepiece and not, as it has been for centuries, an undesirable fringe.

I want to conclude with one or two important comments about the 200-mile limit and its ramifications. This is more in the context of my responsibilities as Secretary of State for External Affairs, although clearly there is an interface between that and my responsibilities as the member for the riding of Burin-Burgeo, soon to be Burin-St. George's. All of this new activity and new opportunities offered have been a result of the acquisition of the 200-mile limit. Few subjects can generate more enthusiasm these days. But let me caution the House that the misconceptions are legion also. These centre on all aspects of foreign participation, from quotas to joint ventures and non-Canadian ownership of processing facilities in Canada.

It is becoming increasingly apparent that with only a lapse of two years this month since the declaration of the zone it is still too early for a consensus to emerge or for sound, long-term judgments to be made on some very fundamental questions. There are some known facts and others are now emerging after a period of just 24 months. The over-all picture is starting to clarify and we are learning what the choices are before us.

I think that it is of the utmost importance that we recognize that one cannot correct the abuses of literally centuries in two years. Nor is it possible in two years to get a total perspective on what new circumstances are to the point where one can put in place regulations or policies which are inscribed on tablets of stone and are incapable of being changed.

To start with the fundamentals, Canada now has exclusive fisheries jurisdiction out to a distance of 200 miles. The legal status of this jurisdiction in international terms is complex, but for practical purposes it can be said—and I want to say it this way—that Canada has first claim on all fish stocks in the designated region. Strictly speaking, Canada is not obliged to consult any other country on how it will manage the zone or on what disposition it makes of any of the living resources the zone contains. It is a very simple and straight forward proposition. Nevertheless, one question that has been raised repeatedly is, why not bar all foreign activity from the Canadian zone, in effect establish "a fence" 200 miles around the Newfoundland coast and keep all but Canadians out?

I want to deal with this point. It is I believe one of the misunderstandings that must be disposed of if we are to have effective future planning for fisheries. In time it could come to this point, that for policy reasons or otherwise we might be able to build this kind of fence. However, as things stand at the moment, there are a number of reasons why it is not wise to do so at the present time. Among these is the fact that there are some species within the zone that Canada does not take at present or where we cannot take all that is available. I believe this is an important consideration. The objective is to gain concessions for Canada from other countries by assigning the quota surplus, and I emphasize the word surplus, to Canada's needs on an interim basis. Such concessions include easier and wider access for our Newfoundland fish products for the countries in question, particularly Europe. Also, as I was able to demonstrate over the Christmas holiday, some of the concessions that we can obtain are, for instance, the ability to have some 60 odd Soviet fishing trawlers repaired and overhauled in our Newfoundland dockyards as a result of this 200-mile arrangement. All of these are matters which certainly argue for some degree of flexibility on the 200-mile zone.

● (1640)

I could spend a lot of time talking on many other aspects of the fence question, but I want to emphasize one in particular, and that is, as has often been said, that the fish will not know where the fence is. That is probably the most important consideration of all when it comes to answering the question why we do not bar everybody from 200 miles inward.

There are large quantities of fish—I believe the figure has been estimated in the order of 25 to 30 per cent of some species, certainly 20 per cent—that are actually outside the 200-mile area. These, of course, could be ravished. This would have a very detrimental effect if we did not have international agreement and understanding as to how those stocks were going to be dealt with.

We have the makings of that in the new organization which came into place on the first of this year, the successor organization to ICNAF, the International Commission for the North Atlantic Fisheries. I believe we are taking wise steps under the guidance of the Minister of Fisheries.

There was much more I wanted to say, but I think I have taken too much of the time of the House already.

I do want to make one final point. In all of the talk now going on about joint ventures and the like, rapid expansion and special new kinds of arrangements for fisheries, there is a real danger that both Canadians and foreigners may overestimate the degree of co-operation possible in the foreseeable future. The hard reality, not yet fully recognized, is that for most of the species in which foreigners are interested there is no surplus. This is something which has escaped a lot of people who talk in a rather airy-fairy fashion about fast expansion or rapid growth. It is quite the contrary. We are still short for our own immediate needs and the requirements of conservation and replenishment.

Put very starkly, the present opportunities for foreign co-operation are decidedly limited and, in this sense, the issue of joint ventures of various kinds is being grossly exaggerated in some quarters. This does not mean that opportunities are non-existent. It simply means we must look at them very carefully in each individual case where they arise. If we do that, we will form a pattern or rationale which will turn out in the end to be most beneficial as far as we in Canada are concerned.

These are the sum of the reservations expressed to me by many people, including, most importantly, all of the people for whom I have the greatest respect, namely the fishermen. They are not asking us to move into massive, astronomical kinds of expansion. They are not saying to us we are going too slowly. They are not saying we should be having big deals here, there and the other place, and all sorts of consortia and the like.

Many people in Newfoundland remember at least three major companies, all of them by coincidence in my constituency, which moved in the last time there appeared to be marvellous opportunities but which were not at all hesitant to turn the key as soon as things turned down. I can assure hon. members that memories are long about those kinds of experiences.

There are many more specific issues relating to fishery development on which at some point there should be the opportunity for detailed discussion in this House and elsewhere. In my mind, the union in Newfoundland is properly—and I have been supportive of this—stressing the key role of

the fishery as the foundation of the Newfoundland social structure. In other words, we are not talking here—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the minister but his allotted time has expired. He can continue only with unanimous consent. Does the minister have consent?

Some hon. Members: Agreed.

Mr. Jamieson: Thank you, Mr. Speaker. I was down to the last paragraph. I was about to say, and I am grateful for your indulgence for permitting me to say it, that one of the most important things the union, more than any other group in Newfoundland, has been emphasizing has been that the key role of the fishery is the very basis and foundation of the social structure. The fisheries are to Newfoundland what the farm is to the prairies. It is a lot more than a secondary manufacturing industry, an automotive plant or something one finds in a large city. It is the industry. It is the activity around which the whole way of life is concentrated and centred.

In addition to the industrialization policies that the Minister of Fisheries has been pursuing, we must at the same time do everything we possibly can to reinforce and enhance that kind of lifestyle. By the way, it is not only rewarding to those who are concerned, but makes an enormous contribution to the fascinating mosaic of Canada. This is a lifestyle, a kind of vigour. This population can make a very sizeable contribution to Canadian unity and Canadian development as we were talking about it in a different context earlier this day.

I want to end on that note. This subject of the social impact of the fishery is sufficiently important to require a special and detailed discussion on an urgent basis. I urge my colleague the Minister of Fisheries to try to find the kind of fora in which this kind of thing can parallel what is now being done. If this can be done, there is no doubt that to Newfoundland the fishery is more than just another industry. It is important, even essential, that fishermen, the fish trades, governments and Newfoundlanders generally work together co-operatively to make the most of this new chance—and that is what the 200-miie limit is. The odds are that if we fail this time, that chance is not going to come again.

Some hon. Members: Hear, hear!

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I feel compelled to pay tribute to the eloquence of the previous speaker, who spoke about the romance of the fishery. I have never experienced that romance. I want to speak about the romance of another industry which is connected to this reorganization which we are speaking about today.

It has been said that there are nutritional qualities in fish that help the brain. I assume that must be true. I am, however, compelled to think that other things that are said about Newfoundlanders must be true as well, because I have been reading the speeches made in defence of the fishing industry in 1971 when fisheries became a minor department under the new Department of the Environment. It has often been said that Newfoundlanders put the cart before the horse. I really wonder about the mess the fishing industry has been in all these years when those members have been in power and have had the direction over that important industry.

● (1650)

The latest attempts at government reorganization remind me of something a recognized member of the forestry industry said recently. He said that he does not get any great feeling of optimism that we are really making progress; that while things are being changed, he is not sure they are being improved. This bill is not an attempt to make government more efficient but an admission that previous attempts to reorganize, particularly in this area, have failed. This is nothing new.

Since the emergence into this arena in 1968 of the intellectual giant and social engineer there have been attempts to reorganize all kinds of things. My colleague the hon. member for Hamilton West (Mr. Alexander) enumerated the government programs which have been the subject of attempts at change, but there has been recognition that some changes were wrong, and we have had to go back to where we started from.

I want to say just a little bit about one department which was changed about the same time that fisheries and forestry came under the Department of the Environment in 1971, namely, the department dealing with the Unemployment Insurance Commission and manpower. There was a separation there, and it took eight years before hon. members opposite recognized that mistake and that the problem of manpower management in our country is much better handled under one department. Now we are undergoing the painful process of reamalgamating those two departments at great cost to the taxpayer and at great human cost to the public servants we have asked to undertake these reforms.

Fisheries was an autonomous department of government until 1971, when the Department of the Environment was formed. What we see today is a return to an original policy, namely, a fisheries department like the department which was formed by a Conservative government and which had a high profile until the new administration came along.

My submission, however, does not concern the new ministry of fisheries as much as it does the remaining Department of the Environment, such as it is, and the component in that department which is known as forestry. In general terms I support the objectives of the bill and my colleagues on this side of the House support those objectives; but for the life of me I cannot understand why the equally crucial problems relating to forestry are once again ignored.

As hon. members know, there are three major areas of jurisdiction under the Ministry of Fisheries and the Environment. The third major area is forestry. I would like to review how the former department of forestry, like fisheries, has been reformed to death. Before 1968 the forestry department was a separate and autonomous department of the federal government. In 1960 it was known as the department of forestry and from 1966 to 1967 as the department of forestry and rural development. In 1969 forestry became a branch within the

department of fisheries and forestry. It became a service known as the Canadian Forestry Service within the newly created Department of the Environment in 1971. The reorganization of the Department of the Environment in 1974 downgraded the Canadian Forestry Service to a relatively minor role in a massive department which by its nature is oriented more toward environmental protection than toward the enhancement of the economic values of our forest resources.

At the moment the federal government is in a poor position to co-ordinate provincial forestry programs because there is not even a deputy minister who is able to advise the environment minister on matters relating to forestry. Dr. Place, director of the program development branch of forestry, appeared before the Standing Committee on Fisheries and Forestry where he made the following statement:

> —owing to divided jurisdiction, Canada does not have a clearly enunciated national forest policy. This is an area in which our Department would like to take some initiative in trying to promote more of a consensus in the future but it is a typical area because, not only is there divided federal and provincial jurisdiction, there are some 20 agencies within the federal government having their finger in the forestry pie and no single department has a clear mandate to see that federal activities are co-ordinated.

This is the present state of affairs as it relates to the once proud Canadian Forestry Service and, indeed, as it relates to this very important component of the industrial capacity of this country. It should be added that just in the last few weeks the Prime Minister (Mr. Trudeau) has driven the final nail into the coffin by his decision to deprive the Canadian Forestry Service of what little was left to it to sustain some very important, vital and crucial research efforts. We have heard much in the House in the last few days and weeks about the reorganization of the Petawawa forestry research labs. As hon. members know, it was decided to phase that service out. Then after we brought the concerns of the industry and the professions into the House, the minister and the government decided that instead of phasing out the station it should be reorganized and that the Forest Management Institute, the Forest Fire Institute and the services connected with them should be transferred to Petawawa. The minister is probably quite right when he says that there will be more bureaucrats at Petawawa than there were before, but the services have been drastically reduced.

I wish to take this opportunity to provide a profile of the forest industry. I want to speak in defence of that industry, which has been the backbone of our economy for longer than any of us can remember. It has been the backdrop to a social environment which is indispensable to many Canadians. The Canadian Institute of Foresters had this to say in its policy statement:

> The forest lands of Canada, including associated wildlands, provide an environment basic to the economic, social and spiritual well-being of Canadians. They are vital in providing raw materials for the wood-converting industries, in maintaining a quality fishery and wildlife habitat, in purifying air and water, in regulating water supplies and in making available to Canadians and to their visitors a vast outdoors in which a multitude of recreational, educational and scientific activities can be carried out.

I want to give the House some comparisons with respect to the importance of forest industries not only to the economy but also to the government in terms of revenues. To do that, I wish to quote some statistics.

Since we have heard so much about fisheries in the last couple of days, the statistics I have assembled and compiled are a comparison between the forest service, or the economic contribution of the forest industry section—Mr. Speaker, may I call it five o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Ottawa West (Mr. Francis)—Forestry—Research—Funding of Forest Management Institute; the hon. member for Lisgar (Mr. Murta)—Canadian Wheat Board—Co-ordinator to ensure maximum use of rail cars to move grain; the hon. member for Capilano (Mr. Huntington)—Air Transport—Civil aviation inspectors without contract.

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

• (1700)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

The Acting Speaker (Mr. Turner): Shall notice of motion No. 3 in the name of the hon. member for Red Deer (Mr. Towers) stand by unanimous consent?

Some hon. Members: Stand.

TRANSFER OF QUEEN MARY VETERANS HOSPITAL

Mr. Hal Herbert (Vaudreuil) moved:

> That an humble address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, notes, minutes of meetings, agreements and other communications between the government and the province of Quebec concerning the transfer of the Queen Mary Veterans hospital in Montreal.

He said: Mr. Speaker, I have risen in the House many times to speak about the transfer of this hospital, the Queen Mary Veterans Hospital in Montreal, and the transfer of other

hospitals, as well as on the subject generally of veterans and veterans' care. I spoke specifically on the subject of this transfer some five years ago. I have expressed my concern and received assurances from the minister that the veterans would be properly looked after.

I have no doubt, and certainly I have no evidence to the contrary at present, that the veterans who were sick in the hospital have not been well treated. What does concern me is that, in my opinion, there is not free access to documents. By dint of placing many questions on the order paper I have received answers, but the answers are not necessarily consistent.

In October of 1977 the minister issued a news release in which he stated the following:

Under the terms of the transfer agreement—

That is an agreement to transfer the Queen Mary Veterans Hospital to the government of the province of Quebec.

—entitled veterans will have priority access to 55 acute care beds in Montreal hospitals. Further, the staff of the hospital will become employees of the new hospital corporation under terms and conditions of employment similar to those they enjoy in the federal public service . . . The effective date of the transfer is December 26, 1977, when the Department of Veterans Affairs will transfer for one dollar the grounds, buildings and equipment of Queen Mary Hospital to the Quebec government. The province will also receive from the Government of Canada an indexed capital grant of $9 million for reconstruction purposes.

That is basically it. It is just about all we know about the transfer. We are advised that whenever a veteran requires admission for examination, treatment or care, that veteran, when beds are not fully occupied by veterans, will be admitted without delay.

The Minister of Veterans Affairs (Mr. MacDonald) stated the following yesterday in answer to a question:

Beds guaranteed to veterans under the transfer agreements specified are: . . .

(f) Queen Mary Hospital, Montreal—55 beds.

In the same answer he recounts that on January 1, 1978, at the same Queen Mary Hospital there were 260 patients who were receiving acute care treatment. Six months later, on July 1, 1978, that number of veterans had dropped to seven. They are all listed as acute care cases. Thus it would appear that we have a signed agreement giving veterans access to 55 beds, and from the reply of the minister given as late as yesterday a much smaller number of veterans occupying those beds. He does not give a more up to date figure than that of October, 1978 when the previous figure of seven to which I have referred dropped to five.

What concerns me, of course, is that in my constituency of Vaudreuil we have another veterans' hospital, the Ste. Anne de Bellevue Military Hospital, with something in the order of 1,000 patients and a long waiting list. Since for some time there has been a long waiting list, and since the number of veterans who are likely to be requesting admission in the next few years is likely to increase because of their age, there would appear to be a need for even more beds for veterans than are presently available. Nevertheless, from the figures which are presented to us, having passed the Queen Mary Hospital over to the province, we have not only reduced the number of veterans receiving a federal level of treatment from some 260 to something in the order of about five, but we are not using anything like the total number of beds, that is 55 beds, that we have reserved for veterans at the Queen Mary Veterans Hospital.

I am also told—and this maybe will be worth recording for the benefit of those who, like myself, until a few days ago were not aware—that the agreement signed with the province provides that Canada will retain at no rental charge no less than 66,249 square feet of usable space. I was interested in what we were to do with the space and was told that the departmental treatment services are going to use 21,000 square feet of space. This is all for the Department of Veterans Affairs. The departmental dental services will use 1,508 square feet and the prosthetic workshop of the Department of National Health and Welfare, 5,000 square feet. Then I also see that we have retained space for chapels and chaplains' offices amounting to 2,172 square feet. This is fairly decent accommodation for the personnel and for the chapel for the five remaining veterans in the Queen Mary Hospital. We also retained some 14,620 square feet for departmental veterans' services, for veterans' land administration 6,641, for the Canadian Pension Commission 4,879 square feet, for the bureau of pensions advocates 4,100 square feet, and for the departmental central registry 6,329 square feet. The total is 66,249 square feet, as I mentioned before.

In other words, all these federal facilities are still continuing at the Queen Mary Hospital, formerly the Queen Mary Veterans Hospital. I sometimes wonder whether the veterans who formerly used these facilities are still aware of their continuing use.

I am also advised—here I am somewhat concerned and I should refer back to an answer I received from the Minister of Veterans Affairs on December 7, 1977—that when Queen Mary Veterans Hospital was transferred, some of the medical records of the veterans were maintained in the hospital and others were transferred to the Public Archives record centre in Montreal. Also the minister indicated that in the future those medical records which no longer need to be maintained in the hospital will be transferred to the record centre. He indicated in his reply that the medical records to be maintained in the hospital would be the records of those veterans who were continuing to receive treatment at the hospital. That would be quite logical. However, it appears the agreement provided that Canada shall transfer to the province all medical records in connection with each veteran. Of course, that raises some questions. Some of the veterans in my area have asked me if they will have the same access to their records as previously.

● (1710)

I have asked the Minister of Veterans Affairs questions in connection with veterans' records. I am pleased by the manner in which these records are kept, and the fact that veterans can go back to their wartime service and find records were kept by the department of which they were not even aware. Also I compliment the department in that it freely discloses what is on the records, thus enabling veterans, in many instances,

successfully to claim various pension benefits which, without the department's records, they may not have been able to obtain. It underlines my fears that a department which has done such an excellent job of maintaining medical records of veterans apparently is prepared to turn over these records to the province of Quebec. I am concerned because of the attitude of the present government of that province, its general attitude toward anything which could be termed federal. Also I am concerned that veterans will not continue to have the same access to medical records as previously.

I am interested in what the terms of this transfer are, as well as the discussions which have some bearing on the transfer of this particular hospital. In March, 1977 I suggested that there was a problem at the Ste. Anne de Bellevue Veterans Hospital because we were unaware whether the hospital was going to be transferred, when it would be transferred, or what the conditions of the transfer would be. I realize the problems of disposing of the Ste. Anne de Bellevue Veterans Hospital.

On April 7, 1975 the minister indicated that less than 20 per cent of the patients in Ste. Anne de Bellevue Veterans Hospital were considered to be a federal responsibility. Also he indicated that the province was only paying for part of the costs of some 524 patients out of a total 804 patients who were considered to be a provincial responsibility. In the balance of his answer, he indicated that in other words the provincial government was paying 28 per cent of the total operating cost of the hospital, while more than four out of five veterans occupying beds in the hospital were considered to be a provincial responsibility.

That is one reason why I doubted the transfer would ever be effected. Obviously it would cost the province of Quebec a considerable sum of money, and the province would have to accept the responsibility for patients who were not directly a cost to the federal government. I expressed my opinion that some of the fears of the patients and the staff at the Ste. Anne de Bellevue Veterans Hospital could be allayed if they were made aware of the precise conditions under which any transfer would be made.

One way in which we can be assured that the federal government will look after veterans is to look at its past history. In order to do that, we wanted to look at all of the records in connection with the transfer of Queen Mary Veterans Hospital. Also we noted the sum of $9 million which was handed over to the provincial government for renovations at the Queen Mary Veterans Hospital. It was interesting to note that the subject came up in connection with the Senneville Lodge which is part of the total facility at Ste. Anne de Bellevue Veterans Hospital.

In a letter dated October 16, 1974, the Minister of Veterans Affairs said the following:

—discussions are proceeding between our department and the Quebec provincial authorities regarding the transfer of Ste. Anne's hospital. At the present moment it is not intended that the Senneville Lodge property which comprises the main acreage of the Ste. Anne's complex will be included in the transfer although the patients at Senneville Lodge will be looked after by the hospital authorities after transfer until such time as a replacement unit of the nursing home type is built at federal expense, probably in close proximity to the main hospital.

That was fairly reassuring for the patients at Senneville Lodge. On November 10, 1976 the minister indicated that planning for the replacement of the Senneville Lodge in Quebec was deferred while discussion was continuing with the province of Quebec respecting the transfer of Queen Mary Veterans Hospital. Also he said that when these discussions were completed, the department would undertake definitive planning for the replacement of the Senneville Lodge. I was somewhat puzzled that these two matters would be tied together, but I accepted it at that time.

On January 24, 1977 the minister said the following:

The decision on the construction of a replacement of Senneville Lodge, Senneville, Quebec, is not dependent upon the transfer of Queen Mary Veterans Hospital in Montreal.

This is where the confusion started. On April 21, 1977, the minister wrote a letter which reads in part as follows:

—a plan is being considered for the replacement of Senneville Lodge facility and there is approval in principle to proceed. However, the site has not yet been determined and the plans for the replacement are not finalized. As soon as the transfer of Queen Mary Veterans Hospital is completed, the department plans to proceed very quickly with the replacement facility for Senneville Lodge.

It is evident that there are connections between Senneville Lodge and the Queen Mary Veterans Hospital for reasons unknown. Subsequent letters indicated that when the Queen Mary Veterans Hospital transfer was completed, they would proceed with the rebuilding of the Senneville Lodge. According to the minister, the transfer was completed more than a year ago, and we have yet to hear about the plans for Senneville Lodge. One should be able to reassure persons by openness to rid veterans of most of their fears. I do not feel there is very much that could not be openly disclosed regarding the transfer of the Queen Mary Veterans Hospital. It would automatically alleviate the fears of those who worry about what will happen ultimately at Ste. Anne de Bellevue.

● (1720)

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I welcome the opportunity to speak on this motion concerning the transfer of the Queen Mary Veterans Hospital in Montreal. I think this private members' hour could better be described as the futility hour because we are actually wasting our time. The only real benefit obtained from the private members' hours is that it gives us an opportunity to enlighten the Canadian people through television and *Hansard* as to what an undemocratic and secretive government they have.

In this situation we have a member of the government trying to obtain information for his constituents. He is not only a Liberal member but a parliamentary secretary, and this is the extent to which he must go to obtain information for the veterans and other people in his riding. It is unbelievable that this government would refuse to give information such as that which he seeks to a member of parliament. It has nothing to do with partisan politics. The Minister of Veterans Affairs (Mr. MacDonald) merely needs to phone his department, where there are thousands of civil servants, and direct one of them to

obtain the necessary information for him; or if the files are too bulky they could make arrangements for the hon. member to go over and view whatever he wishes.

The purpose of the government is to help people, not to put up roadblocks to make it awkward and difficult for a member of parliament to carry out his duties. That is why I believe this hour should be described as the futility hour. The liberal members are prepared because their civil servants have prepared statements for them to read out in order to talk out this particular motion.

The answer given to the hon. member for Vaudreuil (Mr. Herbert) by the Parliamentary Secretary to President of the Privy Council (Mr. Pinard) reads:

—I would ask the hon. member to withdraw his motion since there is a rather large number of papers requested and a substantial amount would have to be earmarked as well as much time would have to be devoted to their preparation.

With the number of civil servants available, I would certainly question that.

The hon. member has also pointed out that many veterans may not be aware of the use of transferred hospitals. This is an issue I have raised before. Lately we have had some serious problems with regard to veterans gaining admittance to veterans' hospitals. There have been two deaths. One of the deaths occurred because the individual was refused at the Sunnybrook Hospital in Toronto. This particular veteran had difficulty gaining admittance to the hospital which had no available beds, and he was therefore refused. He was left on a stretcher in the emergency ward for more than three hours and then sent back to the Centenary Hospital. Shortly after he was sent to St. Michael's Hospital for surgery where he died there the next day.

There is a similar case which occurred in Victoria recently. The minister has stated, in referring to the veteran's wife, that she did not properly apply to get into the hospital. This was a concern expressed by the hon. member for Vaudreuil, that he was not sure whether or not veterans or their families knew how to apply for admittance to these hospitals.

When I raised this matter in the adjournment debate, the parliamentary secretary gave me the general assurance that everything was all right. He made no specific reference to the recent veterans who died because they were shuffled from hospital to hospital. I will pursue this matter at a later date, because we are just not satisfied on this side of the House.

The hon. member for Vaudreuil has stated that the veterans have not been made aware of the system. Veterans would be very concerned about gaining admittance to hospitals if they were to read the news story in the Toronto *Star* which is headed, "Shoot me, begged dying man—". This man was being shuffled from hospital to hospital before he died.

The motion of the hon. member for Vaudreuil to get some information about the transfer of these hospitals is certainly a very good one. The answers provided thus far by the Parliamentary Secretary to President of the Privy Council are certainly not acceptable because we are talking about people's lives.

[Mr. McKenzie.]

I hope that the Liberal backbenchers who have been sent here to talk this motion out will have a change of heart and realize that this motion has nothing to do with partisan politics. There may be people in their ridings who will have such a difficulty. Hopefully, they will throw away those prepared statements which have been handed to them by a civil servant.

I was very glad that the answers to my questions on the order paper with regard to beds available in the transferred hospitals, which were in *Hansard* yesterday, were of assistance to the hon. member. I would also like to congratulate him for his contributions to veterans affairs matters on other dates. He has made reference to his speech of March 30, 1977 where he first raised the problems associated with the transfer of veterans' hospitals. At the time he was speaking in support of a motion by a former colleague of mine who was the then veterans affairs critic for the Conservative party and who is now in the other place. I believe the hon. member for Vaudreuil has a genuine concern for veterans and matters affecting them.

I do not want to be on record, Mr. Speaker, as being long-winded in speaking on this issue. I just hope that the two Liberals who have been delegated to talk this motion out will come up with something constructive or allow the motion to pass. As I stated earlier, it would take but a phone call from the minister to have these papers prepared for the hon. member for Vaudreuil to view. If such a thing were to be arranged, as veterans affairs critic for my party I would very much like to join him because I am very much interested in the problems of veterans' hospitals.

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I am pleased to have the opportunity to address myself to the motion put forward by my colleague, the hon. member for Vaudreuil (Mr. Herbert). He has asked that the minister table all correspondence, notes, minutes of meetings and other communications between the Government of Canada and the province of Quebec having to do with the transfer of the Queen Mary Veterans Hospital.

The hon. member for Winnipeg South Centre (Mr. McKenzie) has asked that there not be any partisan politics. At least the Department of Veterans Affairs and the Standing Committee on Veterans Affairs over the past years have been above partisan politics. I would therefore hope that the critic for the opposition will continue in that vein and not simply point out some of the shortcomings of the Liberal party. He knows full well that we on this side of the House have the well-being of veterans at heart, as I am sure all members do in this House.

● (1730)

As I understand it, the reason that the hon. member for Vaudreuil wants the information about the minutes and the contracts is so that the people in his riding and in St. Anne de Bellevue hospital may know the terms of the agreement and the contract being transferred. I suggest that in all cases where we have transferred these hospitals there has been an equitable agreement or arrangement made and that the people working

in them have not suffered financially, any loss of position, or in any other way.

As Parliamentary Secretary to the Minister of Veterans Affairs (Mr. MacDonald) I have visited the hospitals which have been transferred from the Government of Canada to the provinces. I was in Victoria where there was some problem in the beginning, which has been cleared up. In talking to the people concerned, I found all of them quite happy with the way things have been handled and how they now stand. In Edmonton we have been in negotiation for the transfer of the veterans hospital there. I have visited Edmonton and I am sure that matter will turn out as well as the transfer of the Queen Mary hospital in Quebec.

It has been suggested that we would talk out the motion, Mr. Speaker. I do not know about other members, but I am here because I have a few points to make about the transfer of the Queen Mary hospital and other transfers, and so that I may share with my colleagues and the people of Canada what the Department of Veterans Affairs has been doing, is doing, and will continue to do for the betterment and good care of the veterans who are our responsibility.

I think the most important statement I can make is that the government recognizes and accepts its moral responsibility to provide the best possible medical care for our veterans. That is where we began, and I am sure that no one in this House and no one in Canada would disagree with the concept. There are sometimes misconceptions about the way the government provides this medical care. I am always glad to have a chance to correct those misconceptions.

It is now more than 30 years since the end of World War II and in that period the most dramatic changes have taken place in the field of medical and hospital services, hospital care and administration. Most significant to the question at hand in the medical and hospital field is veterans population. To appreciate what is happening now to the hospital care and treatment of veterans we need to look at what has happened in the past and in the intervening years.

When World War II ended and the injured troops were returned to Canada, the existing hospital facilities were totally inadequate for their accommodation. To provide the needed beds and treatment, the government had to build hospitals specifically for veterans. At one time there were 40 veterans' hospitals in Canada. The war injured were most in need of acute care. The vast majority needed it only for a limited period of time, and most were discharged within a period of months.

My colleague, the hon. member for Welland (Mr. Railton), served as a surgeon in World War II. He has worked in veterans' hospitals, and I was talking to him about this prior to today's debate. This private members' hour, incidentally, should not be called the period of futility, in my view. It is a time when members get a chance to bring up subjects that are important to them and their constituents. My colleague assured me that the care given to the returning veterans from World War II in those hospitals where he served was second to none anywhere on the North American continent.

As the damages of war were repaired and the patients recovered, some of these hospitals were closed down within a relatively short period of time. They had been built in response to a special and abnormal health care requirement, and as that requirement was met, progressively the hospitals closed and we were left with a few hospitals where veterans received medical care for pensionable disabilities. Over the years the number of veterans requiring acute and active care steadily decreased, and as beds became empty they were made available to DVA recipients.

Slowly but surely the profile of the veteran patient changed. In the beginning there were young men severely wounded and needing the most immediate, sophisticated medical treatment possible. That immediate need was taken care of. The veteran patient's need became one of periodic hospitalization and treatment later on for pensionable disability.

With the passage of time the veteran population aged and its needs changed again. Most of the beds in veterans hospitals were filled with people in need of care for chronic conditions and frequently these were of a geriatric nature. In terms of our ability to staff these hospitals, this meant we began to have serious problems. Highly skilled young doctors and nurses trained in the most modern medical procedures are not prepared to work in hospitals where they get little or no opportunity to use their skills or perfect their skills and become better at their chosen profession. It is understandable that they want to work in hospitals where they can gain experience in the widest possible range of medical practice.

The practice of medicine today is incredibly specialized and every day it is becoming more so. The modern hospital has specialists available for virtually all the ills to which mankind is heir. Veterans' hospitals do not have the volume of patients to justify equipping and staffing them to meet the full range of medical treatments. This gap between what we can provide and what is needed will increase in the future as the health facilities of communities continue to improve. I am talking now about the medical complexes which are in place across this land where these men and women, who are veterans of World Wars I and II and the Korean war, can receive the specialized care they not only need but deserve. We could see this situation on the horizon. We knew the care of veterans had to be integrated into the total community medical hospital complex. To do anything less would be to deny our moral responsibility to continue providing veterans with the best medical care possible.

When negotiating contracts with provincial governments to transfer hospitals to provincial jurisdictions, the policy of the government is to provide only the best in medical care. This is what we have done and what we are doing and will continue to do in the months and years ahead. This is why we negotiated the transfer of the Queen Mary hospital with the province of Quebec. This is why I do not doubt that in the foreseeable future we will begin negotiations with other hospitals in other parts of Canada—so that these people can come under the jurisdiction of the provinces and have access near their homes, to the care they deserve.

Very specific conditions and guarantees were written into these contracts. I can assure the hon. member for Vaudreuil that the same conditions will surely be written into the transfer of the hospital in his constituency about which he has the right to question us and which, I can assure him, will be carried out. While details may vary a little from province to province, the broad overriding principles remain the same. There must be assurances for adequate hospital treatment and accommodations for departmental patients.

● (1740)

The hon. member for Vaudreuil quoted a news release on October 21 last which had to do with the transfer of Queen Mary hospital. From that news release I would like to quote two paragraphs:

> Queen Mary Veterans Hospital opened in 1945 to provide high level acute care to injured service men and women returning from the war. Throughout its history, the primary mission has been the care of the war-related conditions of disability pensioners who reside in the Montreal area.

Then I come to a very important paragraph.

> From its inception, under the guidance of eminent Montreal physicians, and later in association with McGill University and the University of Montreal, the Hospital has enjoyed an enviable continent-wide reputation for its pioneer reconstructive work with the seriously injured.

We have every assurance that this type of care that has been given to our veterans, and which they have coming to them, will continue in the months and the years ahead.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, would the hon. member permit a question?

Mr. Parent: Yes, gladly.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I thank the hon. member for offering to answer the question. I raise it now before his time runs out. I wonder if, during the course of his remarks, he will address himself to the issue raised in the motion. The motion does not raise questions about the administration of veterans hospitals but rather it asks for the tabling of certain correspondence. If the parliamentary secretary on behalf of the government is going to oppose the motion, will he tell us why the hon. member for Vaudreuil (Mr. Herbert) cannot have copies of the correspondence referred to in the motion?

Mr. Parent: Mr. Speaker, I thank the hon. member for Winnipeg South Centre—

Mr. McKenzie: Mr. Speaker, it is Winnipeg North Centre.

Mr. Parent: Excuse me, the hon. member for Winnipeg North Centre (Mr. Knowles). I guess he has his colleague right across from me from Winnipeg South Centre.

I take the question one step further. He wants the information, according to my understanding, because he wants to see what the conditions are so that he can respond to his constituents who work at Ste. Anne de Bellevue Veterans Hospital and inform them about the conditions under which they are going to have their hospital transferred. In answer to the hon. member for Winnipeg North Centre, I assure the hon. member for Vaudreuil that the transfer will be made in the normal fashion and that those people who are to be involved will be treated as well as any of the other people involved in transfers right across Canada. I submit to you that this is an answer to his specific question.

Mr. Knowles (Winnipeg North Centre): He wants to see the correspondence.

Mr. Parent: If I might continue, Mr. Speaker, I am sure that you can see from the things that I have talked about that the government takes its moral responsibility for hospital and medical treatment of veterans very seriously. We know that our disability pensioners are getting older and that they need, primarily, facilities for treatment of a chronic care nature. At the same time it is important that they should have available to them the full range of modern medical and hospital care the instant that the need is evident.

We know that we cannot attract the staff to give them this modern, specialized care in existing veterans' hospitals. It is unthinkable that we should allow these hospitals to deteriorate into second class institutions, suitable only for the care of the aged; and inadequate care at that. All of the factors that went into the equations of establishing special hospitals for veterans have changed. Therefore, new equations must be worked out. We feel that the policy of transferring veteran patients into the total community medical care complex with built-in safeguards for the veterans who are our responsibility, and for hospital staff also, is not only the best possible solution to the problem but it gives the veteran patients highly desirable options that they did not have before. Let me elaborate a little bit on that point.

[*Translation*]

Mr. Speaker, under current programs veterans can choose their physician. They can also choose the hospital where they want to be treated. This means that from now on veterans will no longer have to travel from 50 to 200 miles to go to a hospital and see a doctor with whom they may not be acquainted. They will now be in a position to choose their own physician and receive the necessary care so that they will get everything they need to lead a normal life. They will now have the opportunity, Mr. Speaker, of being hospitalized near the towns where they live. If they do not like the physician they have chosen, they may see another one.

[*English*]

In most cases it is only a short car ride away from the home of the dischargee. Anyone who has ever been in a hospital would agree that these are significant advantages. I am sure that you can see, Mr. Speaker, that the hospital transfer policy is anything but an abrogation of responsibility on the part of the government. Quite the reverse is true. The right of the veterans to the best possible medical and hospital care available is the principle upon which all agreements are negotiated. I assure the member from Vaudreuil that the same care, the

same consistency, the same research that goes into the transfer of all hospitals that we have had, will go into the transfer of the hospital in his riding. I understand that this is primarily why he wants this information and why he is asking the question.

Every agreement makes provision—

Mr. Herbert: Mr. Speaker, before the parliamentary secretary finishes his remarks, would he permit a very short question from me?

Mr. Parent: Mr. Speaker, if I might answer the question at the end of my time, I will be finished in about two minutes.

Mr. Knowles (Winnipeg North Centre): Do not talk yourself out of time.

Mr. Parent: I will not do that. I have no intention of doing that.

Every agreement ensures that the priority beds are provided only in hospitals approved by the Department of Veterans Affairs. Veterans associations are consulted in every hospital transfer. Senior treatment medical officers are maintained locally. Their function is to safeguard the rights of entitled veterans. The rights of employees at the time of transfer are also safeguarded.

I suggest to hon. members that the policy—and this is what we are talking about—of transferring veterans hospitals to provincial jurisdiction, integrating the veterans health care into the total community health care complex is a responsible and a progressive step forward.

I will gladly answer any questions the member has.

Mr. Herbert: Mr. Speaker, I would compliment the parliamentary secretary on the few remarks that he made in the French language. But because the parliamentary secretary has brought up the subject of choice and of rights, among the many questions I have is this one. Is the choice of language and the right to choose language written in the agreement? Is that part of the discussions and part of the agreements between the federal government and the province of Quebec?

[*Translation*]

Mr. Parent: Mr. Speaker, I am sorry but I do not have that information at hand. However, with respect to transfer, there will surely be many opportunities to speak of all options available to hospital workers during their negotiations with the federal and provincial governments.

[*English*]

Mr. J. R. Ellis (Hastings): Mr. Speaker, I will enter this debate just briefly. I have always felt that veterans in our country received the finest of care in our veterans' hospitals. I always felt that was the case until just tonight. Tonight I begin to doubt it. If it is so, why can we not see some of the facts? What is there about this superb, excellent service, that makes it so secretive? Why do we need to hide it?

● (1750)

We are talking about a basic freedom. What bothered me was the speech by the parliamentary secretary and all those nice phrases in which you could see the fine hand of the civil servants. I wrote a few of them down; "highly desirable," "equitable arrangements," "moral responsibility" and so on. I began to be suspicious. I began to wonder when these finely tuned phrases kept coming at me.

The parliamentary secretary made one mistake when he quoted the hon. member for Winnipeg South Centre (Mr. McKenzie). He said the hon. member for Winnipeg South Centre had the veterans affairs well-being at heart. I know the hon. member for Winnipeg South Centre does not have that more than I have. He has the well-being of the veterans at heart.

Veterans Affairs sounds like a department overridden with bureaucracy. Anyone who has recently tried to get something out of the Department of Veterans Affairs knows how true that is. I suggest the hon. member for Winnipeg South Centre is as interested as the hon. member for Vaudreuil (Mr. Herbert), the hon. member for Winnipeg North Centre (Mr. Knowles) and myself are interested in the veterans, but not veterans affairs.

What we heard this afternoon was about Veterans Affairs. It did not have anything to do with the good of the veterans. I thought our veterans were being well taken care of in our special hospitals. Until the hon. member for Vaudreuil brought up the point, I had not questioned the shift from veterans hospitals to regular hospitals. It seemed like a reasonably good idea.

I do not have a veterans' hospital in my constituency, as the hon. member for Vaudreuil obviously does. I wish I had had the question in my mind. I might have looked into it. It is amazing how trying to hide something makes it suspicious. We heard all those fine phrases telling us that everything is good. If that is so, why can we not see the papers, agreements, documents, telegrams and messages? It would not take much time to do that. This government fights a paper war that is absolutely incomprehensible most of the time. Producing those documents would be a piece of cake.

We have a department telling us that everything is all right. This is from the same government that gave us Mirabel and a few other things. I am not at all sure that everything is okay with the veterans.

We are talking here about a basic freedom. The hon. member for Vaudreuil raised a good point. Do the veterans have to take a language other than that they wish? I do not know. It is a question that would not have occurred to me. It is a question that could be answered simply by looking at the documents. However, we cannot look at them. Why are they secret? It is a shame.

It is now five minutes to six. I am going to resume my seat and watch to see which member of the government will have the shame to talk out this simple request for documents. It will

be a shame if a basic decency, principle and freedom are hidden in this matter.

Mr. Maurice Harquail (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, it is a very sad day for this House of Commons when once again we have to witness the hon. member for Hastings (Mr. Ellis), trying to make a political football out of the veterans, at a time when we are discussing transferring the operation of veterans' hospitals from the federal government to the provincial governments. It is despicable. However, it is not new. He has been doing that since I have been here. It is all that member is capable of doing. I will not say any more about it. There is a lot more I could say. However, I do not want to waste the time of the House with the type of innuendo to which he has lowered himself. He is following in the footsteps of his weak leader. This is demonstrated by the flip-flops his leader has been making.

The Acting Speaker (Mr. Turner): Order, please. I suggest to the parliamentary secretary that he get to the question under discussion.

Mr. Harquail: Mr. Speaker, I want to thank the hon. member for Vaudreuil (Mr. Herbert), and the parliamentary secretary for telling this House of the benefits these transfers are bringing to citizens in the northern part of New Brunswick, where my constituency is located, and the great benefits being brought to veterans and their dependants.

With the recent announcement as a result of negotiations with the various provinces, we now see the minister of health for the province of New Brunswick entering into an agreement with the Minister of Veterans Affairs (Mr. MacDonald) to transfer a hospital and domiciliary care facility in the city of Campbellton in the county of Restigouche in New Brunswick. It will mean the average veteran will not have to travel 350 miles to receive medical attention. That is very important. This is appreciated by all those who live in Gloucester, Miramichi, the Madawaska area, and in particular Restigouche.

It has also been announced that a sub-office will be located in that city. Ten or 12 people will be transferred there to give day to day service to veterans who have questions of an administrative nature.

I am delighted to be able to express my congratulations to the Minister of Veterans Affairs, his staff, his executive assistant, Bob Mill, and others for the excellent work they are doing. It is a great privilege to stand in this House of Commons and say that.

I also wish to express my appreciation to members opposite who act like gentlemen. I speak of the hon. member for Winnipeg North Centre (Mr. Knowles) who is respected by all Canadians for his great contribution to veterans. I applaud him. I think too of Senator Jack Marshall, a maritimer, who distinguished himself as a great defender of veterans. I have a lot of respect for these gentlemen. They do not get into the murk, getting on the backs of those who fought for us, in order to make some cheap political gain. I have no time for people like that. However, I have a lot of time for men like Senator Marshall and the hon. member for Winnipeg North Centre who, over the years, have dedicated themselves to those who have fought in wars. We have a responsibility to look after these people. That is exactly what this government is doing.

With regard to services for veterans, it is not only members of parliament who work with these people. I think of Wendell Firlotte of the provincial command in New Brunswick. He is among those who have worked hard for their comrades through the various Legions in order to convince the Minister of Veterans Affairs that it was necessary to bring the type of care and attention that is needed closer to the veterans.

I also think of the president of the Hong Kong association, Robert Boudreau. That association has been very successful in parts of Quebec and New Brunswick working together with the various Legions and the Department of Veterans Affairs. They do not do that in opposition. They are not against positive moves such as bringing better care to our deserving veterans, pensioners, and their dependants.

The Acting Speaker (Mr. Turner): The hour provided for the consideration of private members' business having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION ACT, 1978

DEPARTMENTS AND AGENCIES

The House resumed consideration of the motion of Mr. MacEachen (for Mr. Trudeau) that Bill C-35, respecting the organization of the Government of Canada and matters related or incidental thereto, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

The Acting Speaker (Mr. Turner): At five o'clock the hon. member for Prince George-Peace River (Mr. Oberle) had the floor, and he has 29 minutes remaining.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, before you interrupted me at five o'clock to accommodate private members' hour and the supper hour, I was paying tribute to a number of speakers who had preceded me and who had made a very eloquent case on behalf of the Canadian fisheries, which are now to be restored to their proper place within the organizational structure of government.

I feel it my duty to add to the one and a half to two lines the environment minister devoted to Canadian forestry in his contribution to the debate. After he was finished with the notes which had been prepared for him by his department, he did try to defend the indefensible, namely, the latest government action to phase out a number of very important components of the Canadian Forestry Service. The minister is attempting to pass on to the provinces and to the private sector a number of very important research and development responsibilities.

● (2010)

In his remarks the minister became a little excited. He also attributed certain comments to me, and I think I had better take this opportunity to correct his misconception. For instance, he told the House that he had heard me say, in the House and in other places, that I am in favour of the Kitimat pipeline. Well, I do not know where the minister heard that. Let me say that I am not opposed to the Kitimat pipeline. Obviously the minister knows best what is good for the oil industry and what is good for Kitimat, Prince Rupert, and the area which is the responsibility of the Minister of State for Fitness and Amateur Sport (Mrs. Campagnolo). She too is opposed to the pipeline.

I do not know on what grounds these two ministers have made their assessments, because, after all, as the House knows, it was the government which phased out what we consider to have been a very important inquiry, namely, the Thompson inquiry, which was studying that particular project and also the alternatives that are available to us for accommodating our neighbours to the south in getting their oil to midwest refineries. The oil has to get down somehow, and some of the alternatives which the government chose not to consider are much less attractive than the Kitimat pipeline would be. I would advise my friends on the other side of the House to consult with their own constituents, with their mayors, municipalities and chambers of commerce, all of whom have probably paid much more attention to the proposals relating to the Kitimat pipeline and who have, as well, made their own assessment of the immediate, lasting, significant, and positive side effects that such a project would have.

I am getting away from the topic of tonight's debate, Mr. Speaker. I said before the dinner hour that I would want to state the case for the forest industry which remains under the jurisdiction of the Minister of State for the Environment (Mr. Marchand) and which has undergone reorganization in 1973, and is now buried even further after the latest attempt in the basements and in the hindmost thoughts of Ottawa bureaucracy to reorganize it. The debate on fisheries was so eloquent that I thought that to demonstrate the force of the forest industry in our country I should quote some statistics, making some interesting comparisons between the forest industry and the contribution it makes to our economy, and fisheries. Statistics are, of course, always outdated. These were compiled in 1974 and some in 1976, but they are very interesting, to say the least.

Fish products manufacturing—this does not include landing—was $10,100,000 in 1974. Wood products manufacturing, not including logging, which gives you an adequate assessment, was $77,800,000, whereas pulp and paper manufacturing in 1974 was $92 million. When you add that to the primary products you find that fisheries was $291 million, forestry was $1,220,000, manufacturing, fish processing was $225 million, wood manufacturing and processing was $1,708,-000, pulp and paper combined was $3,033.7 million. In sales, fish produced in 1974 was $55.4 million, forestry was $530.3 million, ten times the amount for fisheries. Manufacturing, fish processing was $818.5 million, wood manufacturing and pulp and paper combined were roughly $13 million. The value of exports—this is a really interesting statistic—was the following in 1976: fish and fish products were $579.4 million, and all forest products were $6,501.8 million. In corporate income taxes—again these figures are from Statistics Canada—forestry, including logging, was $14.5 million, fishing and trapping was $.4 million, fish processing was $7 million, wood manufacturing was $59.1 million, and pulp and paper was $306.8 million.

To put the picture into real focus one would also have to provide statistics that would show the kind of subsidy and support that has been given to these two industries by the taxpayers. One would see then that the fishing industry has been heavily subsidized throughout the years, whereas the forestry sector receives no subsidy from either the federal or provincial taxpayer.

It is not my intention, of course, to belittle the importance of the crucial component, the fisheries industry, in our total economic picture. However, the fact is that forestry has been the backbone and the mainstay of the economic well-being of this country for a long, long time. Indeed, the $6 billion favourable trade balance owing to forest related industries creates a vivid contrast with the $5 billion which we receive for all the fuel and minerals which we export, and is also in contrast with the figures of $1 billion for agriculture and $.3 billion for fisheries.

The Minister of Finance (Mr. Chrétien) told us today in the House that the governor of the Bank of Canada had certain suggestions to make regarding the minimum requirements to get our economy back into shape, and one of these requirements was that Canada be much more aggressive in seeking new export markets for our primary manufactured goods. Forestry is one sector that is probably best situated and best equipped to increase immediately our exports to foreign countries.

Let me quote a few additional statistics which place the forest sector in our economy in a proper perspective. The forest resource supports 300,000 jobs directly, and up to 700,000 jobs indirectly in secondary manufacturing and in the service industries. The forest products industry in Canada is the leading commodity sector in terms of sales, employment, exports, earnings, and regional dispersion. We speak about fisheries every day in this House, but do we ever hear someone speak about forestry? Certainly the minister responsible for that

important sector of our economy spends very little time on it, unless he is prompted during the question period to give us some answers on that subject.

Mr. Marchand: I will send you my speech.

Mr. Oberle: Canadian forests are an important factor in our $3 billion outdoor recreation industry. The federal government receives $1 billion from forestry activities in revenue, while the provincial governments collect roughly $650 million in forest related taxes.

I expect that the House will, some day in the very near future, give recognition to that important sector and, I hope, restore it to its rightful position. I do not assume that that will happen because of the staggering statistics I have just mentioned, but I do believe that the time is foreseeable when our forest industry will face the same kind of crisis which finally prompted the government to take drastic and positive action with regard to fisheries. My friend and colleague, the hon. member for Carleton-Charlotte (Mr. McCain), has quoted some statistics supporting this statement.

● (2020)

With the indulgence of the House, I should like to make the following comments: Canada's share of world export markets for forest products has decreased from 31 per cent to 19 per cent in the last 20 years, while the United States' share has increased from less than 9 per cent to more than 12 per cent. Canada, with 13 per cent of the world's softwood timber resources, produces only 11 per cent of the world's harvest of softwoods, whereas the United States, with 11 per cent of the same resource, harvests 22 per cent of the world's total. The general productivity in the wood industry in Canada is 15 per cent less than that in the United States. Canada, with a forest industry which provides direct and indirect employment for nearly one million people and contributes almost one fifth of the nation's exports, finds itself with serious problems emerging with regard to economic supplies of timber. Federally funded research and development at forest products laboratories is approximately $14 million in the United States, compared with $7 million in Canada. After the latest cutbacks and slashes which the minister undertook on behalf of the government, the contrast will be more dramatic. Referring to the United States, the following comments appear in an Environment Canada news release:

State expenditure on forest products research provides large scale facilities in Oregon, California, Michigan and Mississippi, but no provincial counterparts exist in Canada—

University expenditure on forest products research is about $6 million in the United States, but only $200,000 in Canada—

A single United States company, Weyerhaeuser, spends almost twice as much annually on research and development as the entire Canadian forestry service—

The man-years available to the Canadian forestry service have decreased by 50 per cent over the last decade, during which significant manpower growth has occurred in nearly every other facet of the federal public service—

The lumber and solid wood products industry in Canada spends .08 per cent of sales on R and D compared with .84 per cent for all other industries. The wood processing industry thereby ranks last in R and D expenditures among the 20 leading industrial sectors in Canada.

The budget of the Canadian forestry service will be slashed a further $5.3 million—15 per cent—in 1979.

There are pages and pages of similar statistics and horror stories, yet the minister attempts to defend what he has done recently.

As we all know, the government is capable only of reacting to crises. The forest industry of this country is the mainstay of our industrial capacity, and indeed it will face a very serious crisis in short order. There is not yet a crisis in the forest industry. But the Minister of Finance, who is present in the House tonight, has managed to bring about a decline in our dollar. This has provided a cushion and some breathing space for the industry. However, in the meantime we continue the old art of hewing wood and drawing water. Our efforts to generate new growth and to reforest or replant logged-off areas are hopelessly inadequate in every Canadian province.

There are literally millions of acres of prime forest land which have not been replanted. There is no leadership or direction from any source, either provincial or federal, to encourage provincial or federal agencies or the industry itself to undertake the task of replanting and renewing our forests.

At the present time there are serious shortages of supplies. Companies in timber producing provinces are now discovering that much of the timber allocated to them by the provincial governments cannot be harvested with conventional methods, because the timber is located in remote areas and present techniques are not adequate enough to move into these areas. Of course the economic constraints facing these companies do not allow them to expand their operations in these areas.

We are discovering that estimates of wood inventory are badly distorted, and that our timber supply position is in a most precarious state. This is one area in which the industry and the provinces have repeatedly asked the federal government for assistance to establish an inventory throughout the country. This would provide us with a much better assessment of our timber supply position in the foreseeable future.

In his speech last night the minister was quite sensitive. He responded to criticism from this side of the House respecting the latest reform which was necessary as a result of the government's action to cut programs. The minister attempted to defend phasing out the Forest Management Institute in Ottawa and moving it to Petawawa. Also he attempted to defend the move of the fire institute to Petawawa. Of course it increased the manpower at that particular station, but it decreased the services and programs which were carried on before. The minister is inclined to lay blame for all difficulties in the forest sector on the shoulders of industry and the provinces.

The concept of privatization has been bandied around in the House. The minister decided that the forest products laboratories should be privatized. The industry relies heavily upon the laboratories to arrive at new techniques, produce new products, and to help it become as efficient as its counterpart in the United States. The federal government made the decision to phase out these facilities in Vancouver and Ottawa. It has requested that private industry assume the responsibility of

carrying on these efforts. I have nothing to say against such a concept. Private industry always has been very co-operative when it came to protecting, preserving, and enhancing harvesting opportunities and the conversion of a natural resource. In this particular case, I speak as a person who has some experience in the industry.

I would be reluctant to have larger corporations providing manpower to travel around the country, passing the hat in order to pick up the required $3.2 million to sustain the efforts of forest laboratories. For example, I would be reluctant if MacMillan-Bloedel or some other forest giant in the country were put in charge of providing all the research required by industry. Private industry of that corporate quality always has had its own research facilities and has accepted the responsibility of doing the required research to pursue its own selfish interests. It is not necessarily so that such research is geared to the legitimate and selfish interests of smaller wood converting companies, truck loggers, people who harvest trees, and the small sawmills which are not as integrated as the forest giants. As a result of the travels of the minister's cronies, I presume large companies will phase out their own research facilities and pay the money which becomes available as a result of their travels into a fund, and under their direction, the federal government will continue research. Whether that will be entirely in the interests of industry and resources is very questionable, as far as I am concerned.

For the benefit of the House I should like to give a short assessment of why the Government of Canada and the governments of the provinces are directly responsible to carry on the research which was carried out by the forest laboratories in Vancouver and Ottawa, as well as the other research institutions through the country. After all, it is the federal government which benefits most from forest activity. As I have stated, the federal government pockets roughly $1 billion annually in taxes from forest related industries. The provinces collect an additional $650 million from royalty and stumpage assessments from the industry. The industry throughout this country has been taxed, stumpaged and regulated to death.

• (2030)

Let me give you a profile of what happens to the forest industry in British Columbia, for instance, where the provincial government walks into a plant, makes an assessment of its efficiency and capacity, and then tells the manager and owners that they should be able to produce a thousand board feet of lumber at a certain price. Let us take a figure out of the air, and it probably will not be far out. Let us say you can produce a thousand board feet of lumber at a cost of $150. The provincial forest service then turns around and says that a weekly publication which gives the world price for a thousand board feet of lumber shows the weekly price as $200. It is then apparent that there is a spread of $50 with which the company has to work.

In an attempt to cream off much of this revenue, and to keep the federal tax collector within certain limits, the province simply says that since it costs $150 to produce that commodity it will allow the operator a 15 per cent margin and the rest will be royalty or stumpage. The plant operates on a 15 per cent margin which, of course, is taxable by a federal agency which imposes a levy or a log tax, which is unique also to British Columbia. From this margin the company has to pay all the other licensing fees, satisfy pollution control and, of course, pay a number of other bookkeeping costs which are required monthly by both the federal and provincial governments. There is no end to the influence these silent partners in Ottawa and in the provinces assert on the industry.

As we debate the concept of privatization of research and development activities we should put the problem in its proper perspective. Governments get the lion's share of profits from forest related activities and, of course, it has to be a government of some sort, provincial or federal, that should return some of the revenues to that sector. I find little comfort in the fact that a few corporate managers are representatives and also, I assume, supporters of the Liberal cause, who make the offer to the minister to travel around the country passing the hat to collect the few dollars which will be necessary in the foreseeable future to sustain the efforts of research laboratories.

I would like you to consider, sir, how you would feel, having worked for the government or for a company for 15 or more years, giving the best years of your life, to be told without proper notice that your job has been phased out, but someone has been travelling around the country to take up a collection to see if you can be kept on. If that is the way this government treats its public servants I sincerely hope the public servants and others throughout this country will have a chance soon to reciprocate by treating this government in the same way.

I have never been one to stand in this House to criticize without offering, or at least making some suggestions that could help the situation we are debating. For instance, sir, I fully believe it should be the onus of industry to pay for the research and development that needs to be done to upgrade this important industry, making it more efficient and making it more competitive with our trading partners offshore.

There is a simple solution, one that has been suggested not just by myself. I have discussed it with the minister personally, who seemed at the time to be in agreement. It is a suggestion that has been made by both the industry and the provinces, as well as by professionals. It is simply to enter into an agreement with the provinces to raise, as part of their royalty or stumpage assessment, a certain sum of money. A levy of 50 cents per thousand board feet, something that would not hurt anybody, would generate $6 million annually in British Columbia alone. I have not had time to work out what that would generate throughout the country. Clearly when one considers that companies pay up to $35 per thousand board feet of lumber in stumpage, another 50 cents would not hurt. It certainly would not hurt the provinces either if we took that 50 cents from the revenue they are already getting from the industry. In this way the taxpayer would not carry this burden, and the industry, having paid for the research and for the development of new species, and whatever other things the institutes were into,

would then be in a position to give some direction to these institutes and professionals doing the work on their behalf.

The minister and spokesmen for the government have repeatedly said there was no need and, indeed, that it is almost impossible to have a national forest policy because forests, after all, along with lands, fall under the jurisdiction of provincial governments, and the federal government cannot meddle in their affairs. That is just so much nonsense. Again and again the forestry advisory council, forestry ministers of provinces and the foresters' institute, have begged the federal government to co-ordinate the activities of a number of federal agencies, which meddle in the forestry pie, and to re-establish a truly Canadian forestry service within the federal bureaucracy, and reappoint a deputy minister, at least, to advise the minister on—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Mr. Oberle: I appreciate that very much, and I will conclude as quickly as I can.

I should like to make the point that if the minister feels he would not have the support of the provincial governments or the industry, he just has not been talking to them lately. Indeed, the Forest Management Institute, an arm of the federal government, commissioned a report which is today referred to and read with almost biblical reverence throughout the country. F.L.C. Reed Associates Ltd. published a report last year which was commissioned by the Forest Management Institute. That report has been made available to the minister. The Reed group dealt with all these statistics I have put on the record today, and in clear terms outlined the crucial importance of the industry, first of all, and the crisis situation in which the industry finds itself today. Let me just quote a short paragraph in relation to some of the recommendations included in the report, as follows:

● (2040)

A single agency should act as spokesman on forest policy and as co-ordinator of related programs. This would help to restore forestry to its deserved status. A strengthened Canadian forestry service is the logical agency for this function. Its duties should include allocation of federal money to forestry projects on a continuing basis and subsequent monitoring of progress.

I would like to put on record another short quotation which comes directly from the minister's office. I do not recall this report being tabled in the House. It is the third report which was made by the Canadian Forestry Advisory Council, to the Minister of the Environment and it is dated September, 1975. Like the recommendations that have been made on behalf of the fishing industry, this report says under the heading "Recommendations and National Forest Policy":

The need for a national forest policy statement is all the more urgent because most provinces are now giving priority to provincial forest policy development. Divided jurisdictions will, however, make the formulation of a meaningful national policy difficult. Once agreement is reached on objectives, mutually compatible federal, provincial and industrial guidelines must be developed to give co-ordinated direction to industry and management . . .

In order to redress the status of forestry at the national level, and to give leadership in developing a national forest policy, it is strongly recommended that a minister of state for forestry be appointed whose powers, duties and functions with respect to forestry legislation, and whose mandate to assist the Minister of Environment in forestry affairs, should be comparable to those of the minister of state for fisheries.

These recommendations by qualified bodies of researchers and consultants have been ignored. They will go on being ignored until such time as this most important industry finds itself in the same kind of crisis the fishing industry has been in for some time, and as I have said, that crisis is within the foreseeable future.

We are losing our competitive position in world markets. The only thing which keeps the industry floating at this point is the devalued Canadian dollar. We in this House must appreciate the valuable contribution this industry has made to our history and our way of life. Forestry is not simply an economic component of our way of life. It has much to do with our social behaviour as well.

The forests in our country are a vital part of our eco-system. Forests generate our water, clean air, and a healthy and prosperous Canadian life. Let us not continue to disobey the requirements and rules regarding our responsibilities to our forests.

Miss Coline Campbell (South Western Nova): I will not speak long, Mr. Speaker, on this bill as it is a housekeeping bill. The proposal to create a department of fisheries and oceans is one which I think is vital to the fishing industry. The change is a recognition of the importance to the present and the future well-being of the fishing industry, which in the last few years has grown beyond the expectations of the 1960s into a billion dollar industry. It gives the minister of fisheries a clear mandate to provide the leadership and direction to oversee the federal government's activities within the industry, to develop policies relating to fisheries activities, and to consult with all segments of the fishing industry.

This bill also proposes to create a separate department for the environment, which shows the concern of this government and the recognition by it that both these departments will play an increased role in Canadian life in the future.

I am also pleased with Part II of this bill which deals with the fisheries and oceans research advisory council. In reading over this part, the amendment will provide for an expanded council. Although the section states who will be eligible to sit on the council, I suggest that the section be made clearer and state that there be an even distribution of fishermen from all parts of the country represented on it. I am sure that their contribution will be invaluable.

This bill also allows me to speak about fishing on the east coast, particularly as it relates to southwestern Nova Scotia. The fishermen on the east coast have been fortunate to have this present minister of fisheries. He has been a full-time minister and has fulfilled a promise which was made by the Prime Minister (Mr. Trudeau) in the constituency of South

Western Nova in June, 1974. The minister has urged the fishermen to organize in order to best relate their needs to both the provincial and federal departments. He has decentralized the federal department so as to better reach those directly concerned with the fishery.

A good example of the decentralization is the Yarmouth federal fisheries building. In the last two years we have had an area manager who deals with matters at the local level. This building provides all the facilities fishermen need with regard to their work. I would also like to take this opportunity to express my good wishes to the retiring area manager for Yarmouth, Mr. Glen Smith, who has worked in the fishery department for many years. His excellent knowledge in that area will be missed by all. I welcome the new area manager and wish him luck in a very difficult area.

For the last three years the fishing industry has benefited from the 200-mile limit, and the returns can be seen throughout Nova Scotia and other areas of the Atlantic. A dramatic increase in the landed value of the fish catch was recorded in the first nine months of 1978. The catch for the Atlantic region had a landed value increase of 49 per cent over the record increase of 1977. The size of the catch rose 21 per cent. The remarkable increases demonstrate the success of federal fishery policy. The minister has turned a herring fishery, which previously concentrated on fish meal, into a viable food industry. Last summer it had an estimated landed value of $17.6 million compared with a value of $12.4 million in 1977, $6.5 million in 1976, and $5.8 million in 1975, despite the fact that last summer was a bad year because fewer herring were landed in the Bay of Fundy area. The minister worked with the fishermen, the industry and the provincial governments to achieve this outstanding success with little cost to the Canadian taxpayer.

In the past three years companies in the fishing industry in South Western Nova have expanded. This is made quite clear from the amount of assistance which has been given to fish companies. I am informed that $1.5 million was awarded as incentive grants to fish companies through the Department of Regional Economic Expansion between 1974 and 1978. This minister has made it his policy, which I hope he will incorporate into the new department, to look first at the fish available and how best to provide for everyone, never forgetting the backbone of the industry—the fishermen, including the smaller fishermen who have been forgotten by many in the industry in the past. If the fishermen are working to full productivity, it follows that the plants are also working.

We hear about the need for freezer trawlers. I for one would say to the minister, "go slowly." In fact, I wonder if we need them at all. We are just now becoming efficient with the existing fleet. We already have shortages in our traditional fisheries. Perhaps we should look at some of the existing fishing boats and determine whether or not they can be used to catch these underutilized species rather than investing in the high cost of freezer trawlers.

● (2050)

I can understand why the foreigners needed freezer trawlers. They came from far away. But do we need them when we are so close to the fishing grounds and can return quickly to shore with our catches? I agree with the minister when he says that we have to improve the existing fishing capabilities before turning to freezer trawlers, which may be very detrimental to the fishery if not properly investigated. After all, it was the same companies which are asking for these freezer trawler boats now which felt the foreign fleets were depleting their fleet capabilities four years ago.

A freezer trawler, in order to pay for itself, is going to need a large catch. Let us ask these questions: whose fish will they catch? Who will be allocated the permits for the freezer trawlers? Will the fishermen themselves be able to go into this, or will it be the companies? Will the province take part in this and allocate the fish from these freezer trawlers to the various plants located all over the Atlantic provinces? Do we need them at all? All these questions at a time when we have just begun to reap the returns of the 200-mile limit, have to be answered before any Canadian freezer trawlers can be allowed to rape our fishery.

Let me now turn to small craft harbours. In South Western Nova, for example, where harbours have been long neglected, we have had major multi-million dollar harbours built since July, 1974, at West Head, Yarmouth, and Meteghan. In addition, there has been major wharf construction or reconstruction at Argyle, Pinkney Point, Pembroke, Cape St. Mary, Tiverton and Freeport, not to mention the work that has been carried out at other harbours such as Smithville, Southside, Woods Harbour, Saulnierville, Sandy Cove East and Sandford. This is to mention but a few areas where work has been carried out. This year, again, I am anticipating major undertakings. I look to Wedgepoint getting under way with a $2 million wharf facility in the very near future, and a decision for a deep water harbour on Digby Neck. Dredging and reconstruction are needed on the south wharf at Dennis Point, work at Westport, Short Beach, Port Maitland and a floating breakwater at Cape Forchu are a few of the needed repairs in this area.

Another innovative area that this Minister of Fisheries and the Environment (Mr. LeBlanc) can take praise for is the assistance given by the small craft harbours branch to the Canada Works Program. Funds under Canada Works Program and capital expenditures from small craft harbours have provided slipways, haulouts, additions to wharves and general upkeep, as well as providing an input from the fishermen for the use of these funds from the Canada Works Program.

Before closing, Mr. Speaker, I should like to discuss the matter of jurisdiction. There seems to be a lot of discussion on this word lately and I will approach this last topic as it relates to two areas of great concern in my area as a representative from the east coast. One is the federal jurisdiction in fisheries, on which I will be brief and say that in terms of quotas, surveillance, research, quality, inspection and markets—and the latter three as far as they relate to international markets—

it would appear to me that the federal government must be the supreme power over these areas. We cannot control the areas where fish gather or travel—I can see fish wars developing between eastern provinces as to how and when they can fish. We have seen what happened with the foreigners who were fishing off our shores prior to the 200-mile limit and we have seen what happened between Canada and the United States on George's Bank, but we should control at a federal level how the industry is going to approach all of these areas within our 200-mile limit.

In my opinion, when a final decision on a fishery matter has to be made, and someone has to make it, that decision should rest with the federal department of fisheries since they can take all provinces into consideration.

The second point I wish to make with regard to jurisdiction is on the Canada-U.S. bilateral negotiations. I would like to discuss George's Bank which, as all members are fully aware, is of great concern to the southern part of Nova Scotia. Perhaps more than any other area of Canada, the people in that area realize how important this area is, not only because of its good fishing grounds but because traditionally the fishermen of Southwestern Nova Scotia have always gone to Georges Bank to fish. I am glad to see that the negotiators have recommended that the boundary dispute be sent to a third party. All of us are no doubt anxious to see what the negotiations will have accomplished in the allocation of the various fisheries which exist on George's Bank.

Different provinces have sent observers from government and from industry to the negotiations, and these people were asked to brief the negotiators with their views. With this in mind, I cannot help but feel that this has been truly one area where the industry, the provinces, and the federal government, have discussed what the future fishing arrangements and negotiations should be as they relate to George's Bank, and I look forward to hearing the proposals which the negotiators are putting forth to their respective governments.

One thing that the minister cannot be criticized for is the consultation that he has had with the fishermen and the industry. I do not recall any other minister responsible for the fishery, or any other person responsible for the fishery, having as many meetings with industry. He has told the fishermen to organize, and they have. He has organized the herring fishery. Seiners have been able to talk to him, as have weir fishermen and gillnetters. This week a representative of the gillnetters of South Western Nova talked to the minister in Ottawa.

The hon. member for South Shore (Mr. Crouse) said there has been no consultation in the lobster fishery, but I remember that at the end of 1974 a lobster task force held meetings in Digby, Meteghan, Yarmouth and Barrington, to mention a few of the areas across Nova Scotia that happen to be in my constituency. The results were different categories and a buy-back arrangement. There must be built into that buy-back an opportunity for the young fishermen to gain entry into the fishery.

We have had the closing of Brown's Bank, which was sorely needed to save the inshore lobster fishery. Personally I feel that Brown's Bank should be closed to all boats over 65 feet. The licensing arrangements are being examined in consultation with the fishermen and the officials. I hope to see a policy regarding boats of 45 feet and under which will allow all fishermen access to all the fishery.

In conclusion let me say, Mr. Speaker, that over the past four and one half years there have been consultations between the provincial and federal governments, between fishermen, industry and governments. The credit for this has to rest with the Minister of Fisheries and the Environment. He has been aware of the problems and, in my opinion, Canadians on both coasts and in the mid-west have a full time minister of fisheries.

Mr. Crouse: Mr. Speaker, before the hon. member for South Western Nova (Miss Campbell) takes her seat, may I ask if she will entertain a question?

Miss Campbell: No, Mr. Speaker. I know there are other members who wish to speak, and the hon. member who spoke for the opposition had extra time. I would welcome a question later, but I have to go to another appointment now. Perhaps the hon. member would ask his question at another time.

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I want for a few moments to refer to other clauses of this bill that have not received any or just brief attention in the debate to this point as far as I know. I refer specifically to Part VI with respect to the Medical Research Council, Part VII with respect to the National Research Council, Part VIII, the National Sciences and Engineering Research Council, and Part IX, the Social Sciences and Humanities Research Council.

Let me indicate at the outset that these parts are very similar to a bill that we debated during the latter part of 1976. At that time I spoke about some aspects of the legislation which dealt with the reorientation of the scientific organization. I have no intention of reviewing the content of my speech at that time, but I think two or three points are pertinent. I did raise the most important question not only as to the entire science policy in Canada but specifically the future of the Ministry of State for Science and Technology. We have seen what has happened to that particular ministry with the passage of time. It has been downplayed. Indeed its significance as a major ministry in this government has deteriorated with the passage of time.

• (2100)

As a matter of fact I indicated that I was quite pleased with the formation of the Natural Sciences and Engineering Research Council. I can recall vividly in the Speech from the Throne in 1974 there was a great deal of interest given to the Ministry of State for Science and Techonology. At that time there was thought given to forming a natural science research council as no consideration at all had been given to the importance of engineering research. That I thought was a positive move. But, most important, at that time I raised the basic issue of financial commitment to research. It is in this

sense that I wanted to speak for a few moments tonight specifically with respect to the medical research council.

Many of us on this side of the house have pursued this issue with a great deal of vigour, certainly I have since 1972 when I came to the House of Commons. I must say that despite the pronouncements of the Minister of National Health and Welfare (Miss Bégin) in the early part of December, 1978, I am not convinced that this government understands the importance of medical research in Canada, the role it has played in the past, the role it could play now, and the role it could play in the future. I am amazed because as I have dealt with people in the past and as I have travelled across Canada I have found that virtually every family has had a member or perhaps even a friend afflicted with some illness or some type of disease. I am absolutely certain in my mind that individuals are concerned about these problems and are most interested in a government or any group that would demonstrate an interest in medical research and support it in an appropriate manner.

If one looks at newspapers over a period of time, I believe this is demonstrated by their editorials. For example, I can remember in the early 1940 there were many editorials at that time concerned about the side effects of lead poisoning. There were a number of children in Canada who had problems with lead poisoning and people were asking for increased research with respect to lead poisoning.

I have seen articles on the problems of aging and the importance of research in this area. There are articles on megavitamins and the significance they may have with respect to the health of individuals in our society.

I recall in the early 1970s there was a good deal of discussion as to how much research was being done in Canada with respect to matters such as acupuncture and what effect it might have in terms of being an anesthetic tool or in treating diseases, particularly those of a painful nature. Also in the early 1970s we can recall the problems associated with mercury pollution when that problem arrived on the scene. Editorials were asking why there was no additional research for mercury poisoning. And indeed when we had the opposition day in this House of Commons with respect to mercury poisoning that was one of the elements of the debate which was raised at that time.

I can recall during the days of the Le Dain Commission people across the country were asking why we did not have more research concerning marijuana and other hard drugs. One could go on and on. For example, cigarette smoking and cancer can be mentioned. As I have mentioned, there is an editorial interest and there is an interest in Canada in terms of this most important aspect of medical research. But two or three other things come to mind. I am sure in addition to the items I have listed there are many other targets and areas of research that are important. One thing that people and the government should recognize is the fact that researchers cannot be trained overnight. It is a prolonged process. To have outstanding researchers it takes years of practice. This must be built up over a period of time with a great deal of patience and a great deal of cost.

Another aspect that must be remembered, as I have indicated, is that we need a broad front. In other words our targets tend to change from day to day, from week to week, and from month to month. What is perceived to be important in terms of a research topic today may not seem to be as relevant tomorrow. Something more important may appear on the scene tomorrow. That implies that if we are to provide that type of service, and if we are to provide the basic scientific and the basic biomedical research necessary, then we must have a broad front for basic medical research in Canada.

I will attempt to define and enlarge on this a little later. We must recognize, and I have pointed this out before—perhaps I can try to explain it in a little more detail this evening—that we cannot divorce basic medical research from education and from the delivery of health care across Canada. Indeed I suppose one could include preventive type medicine itself. They are interrelated, sir. If one of the links is weakened in the chain, I can assure hon. members that the quality of health care will disappear.

I have heard individuals and senior government officials on the other side from time to time indicate that it is much cheaper to import a health science. I found that remarkably strange and I am not sure that I follow the logic of that. Think about it for a moment. We are now talking about a very high technology of basic research and assume we have the hypothetical situation that we do not have the capability in Canada because we are going to import it.

I ask hon. members do you know who the knowledgeable people are who can assess that type of basic research that is done elsewhere in the international community? Where is the type of environment, the symposia or the type of consultative process that one would have in Canada that can really handle that in a proper fashion? Who, sir, would have the knowledge to interpret such fundamental basic research that could then be applied appropriately and even determine if it was applicable in a very human and real sense in terms of the medical problems in Canada?

Another matter that bothers me considerably is hearing officials from time to time, within government and elsewhere, who say that people are not prepared to finance medical research across Canada. Frankly I do not accept that statement, for a number of reasons. I find it amazing, because as I recall there are funds set up across Canada totalling around $600 million which contribute roughly $20 million to medical research of one sort or another each year. That is a substantial amount of money that has been donated by private individuals for the most important area of basic research.

It does not matter whether one looks at the Heart Fund or Muscular Dystrophy or the March of Dimes—I could go on and on listing these types of programs. It is my perception that people are very generous in their support of this type of program which is for basic research. Within the last two or three years a great proportion of the money devoted to cancer research, I believe roughly in the neighbourhood of $5 million or $6 million this past year, came from the private sector, not from the federal government.

As I indicated at the outset, there seems to be an uncertainty in the mind of the government as to the importance of biomedical research. I want to spend a few moments tonight, because I do not believe this has been done in the past to any great extent, trying to demonstrate to this government the importance of biomedical or basic research in Canada. I want to do that by reviewing some of the biomedical research that has led to the improvement of health care of individuals across Canada.

• (2110)

Before I give specific areas of research, let me indicate that in the whole area of biomedical research, and I think this is most important, that an individual working on project X may well end up with results that are not relative necessarily to that project. But they may have great relevance to another area that is being assessed, analysed or studied in another part of the country. Let us look at some of the biomedical research that has contributed to the health of not only Canadians but people in the international context.

First, polio. I am sure we have all heard of all the various vaccines and so forth. Let me remind hon. members that the original breakthrough in the polio vaccine originated from another project in which polio vaccine was not the anticipated end result. Think about it for a moment. If we had not had that breakthrough and had not had the polio vaccine, we would be living with the mentalities of the thirties and forties, with iron lungs and all of this massive, expensive technology which has been cured by the introduction and discovery of a simple vaccine.

We know, for example, that Enders basic research paved the way for Salk's polio vaccine, which, incidentally, was somewhat different from the original polio vaccine when it was introduced by Sabin. It has been estimated that since 1955 there have been accumulated about 50,000 Canadians whose lives were spared by these vaccines which were developed for polio. Economists have estimated that is an annual saving of approximately $200 million per year in Canada. We must think also about the human suffering that has been eliminated by the introduction of such a vaccine.

Waksman's discovery in 1955 of streptomycin at Rutger's University in the United States was a milestone in the treatment of tuberculosis. A number of years ago, before the introduction of appropriate therapy, individuals with that disease were institutionalized for six months or a year. Now, with appropriate therapy, it is not inconceivable that they are returned home within a two or three week period on adequate therapy. Think of the savings in costs and the relief of human suffering in terms of that discovery.

Basic research in immunology was carried out in Liverpool with respect to mental retardation. It was most significant in terms of hemalytic problems that occurred in newborn children. Of course we see this with Rh negative mothers. That situation has virtually been eliminated by that very basic biomedical research.

Hepatitis, a very, very common problem and a very expensive one in the past, was eliminated by the discovery, and I may say accidentally, by Blumberg in Australia of an anti-protein substance that was very effective in assisting in recognizing this disease, saving incalculable millions of dollars a year and the associated human suffering.

I could go on—Dausset in France, Payne in the United States who improved the tissue matching for kidney transplants. We now see these patients surviving for a much longer period of time. It has been estimated there is a saving of at least $10 million to $20 million a year with this one basic research discovery.

I could turn to Dr. Judith Pool of Stanford and her basic, almost accidental, discovery of how to prepare simply large amounts of anti-hemophilic protein for the treatment of hemophilics, a most important problem. I recall in the past that without adequate treatment, hemophiliacs had a very prolonged stay in hospital. We had very limited tools in our possession. We talked of hospital stays that could cost $10,000 or $20,000 a year for a family before the days of hospitalization insurance. That has virtually been eliminated with that type of discovery.

Another area is the anti-psychotic drugs that were discovered. These were primarily produced in France in the fifties. I am not exaggerating when I say, and I think the facts will prove it, probably 100,000 people a year are kept out of our hospitals and mental institutions. They are kept at home for a far more prolonged period because of the discovery and introduction of this type of drug. I am sure hon. members can appreciate the cost involved without that type of biomedical research.

Let us look in the Canadian context. Many are familiar with all individuals here—Banting and Best for the discovery of insulin. Need I say any more? We all know what that has saved in terms of dollars to individuals in Canada. There is also the possibility of the prospect of being able to treat that disease in a far more responsible way than we could years ago.

There is also the test for determining a person's sex by Dr. Barr, a former professor of mine at the University of Western Ontario. If I may say, sir, I am sure that name rings a bell with you. It is a very international name, he is a great Canadian, well known in international circles.

Think of what Dr. Gold of Montreal has done in terms of basic research on cancer. There is the work of Dr. Barbeau and his colleagues on L-DOPA, a most impressive drug in the treatment of Parkinson's disease. Two or three years ago in this House we were talking about mercury pollution and discussing Dr. Barbeau's name. He is internationally known as a neurologist and neurosurgeon who is working on the Minimata disease with the Cree Indians in northern Quebec.

I am trying to make a point that has not been recognized by this government as to the importance of basic medical research. Let me go on a little further. I think this is most significant. I really want the government to get the message as to the importance of basic medical research in this country.

I remember when Dr. Charles Scriver appeared before the standing committee, at our insistence. We had been asking, and continue to ask this government to take positive action with regard to medical research in Canada. In one of his appendices he had what I considered to be very interesting information which may help elucidate the importance of this problem of research. In it he had a consensus on advances in medicine. He asked 40 physician consultants and 40 to 50 specialists in cardiovascular and pulmonary diseases, and I am now talking about problems relating to the heart and lungs, to select the top ten major advances in that area over the past 30 years. This is the consensus.

Rated number one was cardiac surgery. What does he mean by cardiac surgery? He is referring to open heart surgery or repair of valves. The second was vascular surgery. That, of course, refers to the repair or bypass of various major vessels in the body such as the aorta or ileac vessels.

● (2120)

The third was drug treatment for hypertension or high blood pressure. The fourth was medical treatment of coronary heart disease. The fifth was treatment of cardiac arrest and irregularity of heartbeat.

The sixth was the development of oral diuretics. Let me explain this for hon. members who may not know. A diuretic is used very frequently in the treatment of those individuals who have accumulation, and in this particular instance accumulation of fluid in the chest. Of course, diuretics work on the kidneys in such a way that they excrete an extra amount of fluid.

The seventh was for intensive care units. This was for post-operative patients, coronary patients, respiratory patients, and newborn patients. Let me remind the House again that I am just talking about illnesses related to cardio-pulmonary problems. The eighth was the development of chemotherapy and antibiotics. This is not uncommon, and we are now talking about individuals with rheumatic heart disease, those who develop problems like endocarditis. Included with this were drugs such as I indicated somewhat earlier, streptomycin for tuberculosis, various antipneumonia drugs, various antibiotics, and of course drugs related to some of the venereal diseases which not infrequently could affect the major vessels of the chest.

The ninth was new diagnostic methods, and the tenth was polio vaccine. This may sound strange, but we must remember that there was a marked correlation between respiratory paralysis and polio vaccine in those days.

The government has never recognized the importance of the time frame or the amount of time that is necessary for these advances. As I indicated earlier, in biomedical research you cannot have shooting targets. You must have personnel in a broad area who are working over a period of time. Advances are slow in many instances. There must be accumulation of material and basic medical research in various areas over a period of time. Let me give an example. Dr. Scriver did this very adequately when he was looking at just one example of open heart surgery. Open heart surgery was first performed in 1954 by Dr. Gibbon. The basic research for that really commenced in 1846. I cannot give all the elements of that research; time will not permit. In 1846 there was the development of general anaesthesia. Anaesthesia was obviously necessary for surgery of any kind at that time. Then we had the development of x-ray. X-ray is not simple. It involves the science of physics and other components.

Then we had to develop basic research regarding cardiac catheterization. We had to have all that technology, plus we had to develop the technology for cardio-pulmonary bypass, and then we had to have all the basic fundamental biochemical and physiological knowledge of oxygen and carbon dioxide, their uptake at the heart and lungs and their passage through the alveolar passages. There was a necessity for developing curare-like anaesthesia. That was developed in Canada, but the point I am trying to make is that to develop to that stage where Dr. Gibbon could do open heart surgery in 1954, we had to go through an entire list of many medical research steps. There had to be accumulation of medical research through projects over a period of years.

Mr. Munro (Esquimalt-Saanich): Centuries.

Mr. Holmes: Centuries, as my colleague says. This accumulation took place between 1846 and 1954. This is a concept which I really do not believe the government understands. I apologize for taking the time, but I think getting this concept across to the government is absolutely essential. Since I came here in 1972 I have been convinced that the government really does not grasp the significance of biomedical research.

I want to quote parts of an article which describes the problem very simply. This article refers to a speech which was given by Dr. Lewis Thomas, President of the Memorial Sloan-Kettering Cancer Centre in New York.

> Imagine this scenario: it takes place in a densely populated city in the northeast. Suppose you had to look after the majority of your patients on open wards, designed, say, for 26 patients each. Now suppose that these wards were kept entirely full, mostly by patients unable to pay anything at all for their care, throughout all 12 months of the year. Imagine that it is now late November, and the wards are not only full but you have had to arrange two rows of cots down the centre of each ward; you now have 40 patients in each 26-bed ward; and you know that within the next few weeks the cots will have to be extended out into the corridor, right up to, and perhaps even occluding, the elevator doors. This is the way things will be until next April, when it will slack off a bit and you can go back to a light service, with maybe only 30 patients on each 26-bed ward.
>
> Now imagine that this arrangement is only the beginning of the demand for service. You need another entire hospital building, built somewhere adjoining the general hospital if you are lucky (for you can then consolidate a few costly service functions) or built in another part of town if you are unlucky. Into this hospital you will have to crowd, during the winter months, about twice the number of patients it is designed to contain. Most of these patients will be young children, and you will have to invent ways to isolate them from each other, and from everyone else.
>
> Now imagine, if you can, that something like half of the patients in this huge nightmare of an institution are at risk of dying because of the severity of their diseases. Not that this number will actually die—indeed, many of them will survive and go home, but they will be deathly ill for weeks before they recover, and you will have to provide medical and nursing care around the clock to bring this off. Moreover, you will have to do this without much in the way of medicine, which means that you must be immensely skilled in the organization of general,

non-specific, supportive measures in order to bring the majority of your patients through.

What I have been describing is, of course, the Boston City Hospital of 35 years ago; but it could be Bellevue, or Cook County, or Brady, or Charity—

It could have been in Alberta, Montreal or Toronto.

—or any large general hospital of that period, and for a great many so-called public hospitals, run by counties or municipalities, the situation was a great deal worse.

Everyone recognized that it was intolerable, and there was no lack of organized public protest and no end to the recommendations by public bodies that something be done to change it. It was an open scandal. The hospitals were crowded beyond the point of inhumanity; there were never enough doctors and nurses to meet the need; too many patients were dying; something had to be done to put a stop to it.

Okay, we fixed it. It took a while, but we accomplished the revolution, and institutions like the crowded Boston City Hospital of 1937 have vanished. The chief problem confronting the city hospitals today is that they are so uncrowded that they can no longer justify anything like their costs of operating. The contagious disease units have been closed down. The tuberculosis hospitals are out of business. It is a different world.

How did we do all this? Some people, most of whom are too young to have lived through the old ways of hospital care, assume that it happened as a result of a social revolution that is still in progress, and that we eliminated the intolerable crowding of city hospitals by changing the economics of health care. The reason we no longer have all those cots down the center of all those open wards is that most of the patients are insured, on way or another, and since they can pay for their care they have gone off to other, more human and habitable, institutions. According to this view, we solved our problem, or anyway that part of the problem, by money.

If this were true, it would obviously carry enormous implications for the future. Having made a quantum improvement in the quality of hospital care between 1937 and today, we could look forward to equivalent improvements in the future, subject only to our ingenuity in finding sufficient funds and seeing to it that they are distributed with something more like equity.

● (2130)

He goes on to say later what really happened at that time. This is what is most important. I hope you will get the graphic picture of the situation which existed at that time. What happened sir, as he goes on to say, is the following:

What happened was that we got rid of lobar pneumonia. This was the main event, surrounded by several others of somewhat less importance. We also got rid of meningococcal meningitis and scarlet fever; the great urban outbreaks of diphtheria finally came under control;

That was the reason that the situation improved, and that is the message I am trying to get across. As a matter of fact, he goes on to say something more, and I think it is important. I want to quote one final paragraph from his paper. He says:

If I were a policymaker, interested in saving money for health care over the long haul, I would regard it as an act of prudence to give a high priority to a lot more basic research in the biological sciences.

That is the message I am trying to get across to this government this evening. That is why I have taken the time to demonstrate so many areas in which advances have been made which not only have been of assistance to individuals in a very human sense but also advances that have been of assistance in the economic sense. I say to the government that there is no question that the biological sciences should be given a high priority for some of the reasons I have outlined.

For a moment or two now I want to review a little of what transpired on the Canadian scene. I think those who are in the House know that during the post war era, particularly during the 1950s and 1960s, there was a sense of euphoria in the research community. We saw that in the various faculties across the country. Medical schools were expanding, new staff was being hired, faculty posts were being developed, research projects were increasing at a rapid rate. I think that was part of the environmental attitude that existed in Canada at that time. All that has disappeared in the early 1970s.

Perhaps I should add one word here about something that has been poorly understood. We should recognize that scientists who are recruited to this most important area are not there for the financial reward. Those from the medical profession who are interested in that type of financial reward do not go into research. Financial rewards can be found in other areas. When we talk about moneys that are obtained by the important scientists in Canada who do major work, we must recognize that this is not money for their pockets but money for the various programs they are establishing. It is money for the support of their programs and for the technologists and equipment they need. As we all know, they are usually funded in the various chairs, or whatever position they hold in the universities.

As I indicated, in the early 1970s, and certainly since I came to the House of Commons in 1972, we have seen a slow but steady erosion in medical research in Canada. There is no question about that. There is no doubt that the abilities and skills of our investigators were there, but I want to assure you that despite the high quality of the research that existed, which would match any international standards, there has been a slow erosion in the research done in the Canadian scene. Although I indicated previously that the large portion of the funding for medical research comes from the public sector, we must recognize the major funding has come from the Medical Research Council.

If we look over the past nine years, it may appear to us that there has been a significant increase from about $34 million in 1970 to the present budget, which was initially estimated at about $60 million. I do not wish to get into a lot of statistics at this time, but let me point out that there has been a decrease in constant dollars with respect to medical research in Canada. We must recognize that the amount medical research has received is less than the annual cost of inflation across Canada. Bearing in mind that the cost of medical research—this could be well documented—increases at the rate of 15 per cent to 17 per cent a year in relation to the general rate of inflation which is now in double-digit numbers, there has been a steady erosion in the funding of medical research in Canada.

Let me put this in practical terms. What has this erosion meant to medical research in Canada? Perhaps members in the House know that there are two types of applications: there are requests for renewal of projects and there are requests for funds to support brand new projects. During the past two years, the approval rate for renewed grant requests has risen steadily, to the extent that less and less money for new projects is allocated. What we have found in 1977 is that 7.5 per cent of established or ongoing projects which were considered worthy of continued support had to be terminated and 25.5 per

cent of the applications to fund new research projects that have been considered worthy of support were turned down or rejected because money was not available. Those figures had increased substantially by 1978 and 1979, to the point where 40 per cent of the new projects, highly qualified and meeting all the standards, were rejected. Indeed, if my memory serves me correctly, 20 per cent of the older projects have been terminated. That is the type of erosion we have seen in Canada.

There is one other small point I would like to make in that regard. A very special research council committee was formed to review applications for the purchase of major items of scientific equipment designed for multiple use in various institutions, and a sizeable number of applications came forward, but not one of them was approved because of inadequacy of funds.

I note, Mr. Speaker, that you are on the verge of rising to indicate to me that my time is nearly up, so let me conclude by saying that I hope I have demonstrated in a graphic way the importance of medical research and that I have made a case to the government on the importance of medical research in Canada. I wanted more time to talk about the minister's new formula. Let me say quite frankly that I do not find that formula to be adequate. I find that in many respects it is misleading and will again erode the dollars which should be going to medical research. But, as I said, I notice that you are on the verge of rising in your place, Mr. Speaker, so let me simply say again that I hope the government has received the message of the importance of medical research, and I look forward with anticipation to hearing the Minister of National Health and Welfare speak in the debate at a later time.

• (2140)

Mr. Derek Blackburn (Brant): Mr. Speaker, I enter the debate on Bill C-35 fairly late in the evening. I should like to address myself particularly to Part III which deals with the Department of the Environment. This bill deals with the organization of the Government of Canada, and particularly with the division of the present Department of Fisheries and the Environment into a separate department of the environment and a department of fisheries and oceans.

As members of this House are aware, my party supports the creation of a department of fisheries and oceans. Such action is a long overdue acknowledgement of the importance of the fishing industry to Canadians and the Canadian economy. The promise to create such a department was made five years ago on the eve of the 1974 election, but it looks like this time it will become a reality. I am interested primarily in the implications this bill will hold for the future effectiveness of Environment Canada. I am concerned that this bill does not just create a new department, that it signals the dismantling of an old one. Certainly Environment Canada has not lived up to the expectations generated at its inception back in 1970 when it was proposed as a super ministry with the powers to co-ordinate and consolidate the anti-pollution efforts of various federal departments and agencies. The mandate for the new department read as follows in the Speech from the Throne of October 8, 1970:

There will be proposed the establishment of a department to be concerned with the environment and the husbanding of those renewable resources that are a part of and dependent upon it, with a mandate for the protection of the biosphere.

Because of their close relationship at the time, the government argued it was essential fisheries be brought under the direct control of the new ministry. Now with Bill C-35 we are being asked to consider reverting back to two completely separate ministries, somewhat similar to what existed prior to 1970. I would not argue that fisheries should remain a part of Environment Canada. As my colleagues have already demonstrated, the department consistently struck out when it came to managing our renewable marine resources. Incomes in the fishing industry are generally low and unstable, employment is declining, and the plundering of our offshore resources by foreign countries has led to a severe decline in fish stocks. Perhaps with an independent department of fisheries and oceans, the government will do more to exercise its powers in the area of our offshore fisheries, conservation practices, the settling of quotas, and so on.

However, the removal of fisheries and oceans from the direct influence of the Department of the Environment signals another step in the erosion of the power of that department. The department's mandate is "to protect the biosphere", but the only power it exercises according to this bill is the power to set out guidelines and objectives for other government departments. It can make recommendations, but it does not have the power to enforce the co-operation of these other departments.

As set out in today's bill, foremost among the minister's duties is "the preservation and enhancement of the environment". Yet the actual powers to enforce this mandate do not lie with the Department of the Environment; they are exercised by other government departments. For example, the Department of National Health and Welfare is responsible for the administration of the Environmental Contaminants Act. The Department of Transport is responsible for the Canada Shipping Act which gives it the authority to deal with oil spills. The Department of Energy, Mines and Resources is responsible for the Atomic Energy Control Act which sets the regulations for the disposal of nuclear wastes. The Department of Agriculture administers the Pest Control Products Act, and so on. All of these deal with environmental concerns, but where is the Department of the Environment? It is setting guidelines and objectives, but with no power to see that they are met, or that they are enforced with any consistency by various government administration agencies.

In short, what I am saying is that while this department has the mandate "to protect the biosphere" and to preserve and enhance the environment", it does not have the power required to do so. It is entirely dependent upon the co-operation of other departments and agencies. Despite the minister's exhortations to the contrary, this bill underscores the sad fact that the Department of the Environment is a department without any teeth.

The main function of what I might call this lame duck Department of the Environment is to establish environmental objectives and standards, and to co-ordinate the actions of other departments in this regard. The minister's duties are indicated in Bill C-35 as follows:

For the purposes of carrying out his duties and functions related to environmental quality, the Minister of the Environment may, by order, with the approval of the governor in council, establish guidelines for use by departments, boards and agencies of the Government of Canada—

Whether these departments, boards and agencies adhere to these guidelines is a matter for some speculation. If past experience with guidelines set out for the improvement of Great Lakes water quality are any indication, there is little reason for optimism. Great Lakes water quality is an area of many overlapping jurisdictions: international, federal, provincial and municipal. It is of particular concern to me as a representative of the constituency of Brant in southern Ontario where we have witnessed the steady decline of the Great Lakes ecosystem. This situation presented one of the first and most pressing challenges to the Department of the Environment. It also provides an opportunity to assess the department's effectiveness in co-ordinating those activities which are necessary to protect the biosphere and enhance the environment. Unfortunately, many of those activities have been less than successful. The recent history of pollution control on the Great Lakes has been one of missed deadlines, ignored guidelines, and inadequate consultations between the various government agencies and departments involved.

It is interesting to note that when the Department of the Environment was created, it was to bring together concern for the quality of the environment and concern for the sound management of our fisheries resources. The department seems to have struck out on both counts as far as the Great Lakes are concerned.

According to a report issued by the General Accounting Office of the United States government as late or as recent as 1977, the fishing industry on the Great Lakes is doomed. At one time, fishing was a major element in the economy of the Great Lakes area. However, since the 1930s the industry has declined by 83 per cent. The report notes that in 1930 there were 5,284 full time and 1,617 part time commercial fishermen in the Great Lakes. In 1977 there were only 137 full time and 1,043 part time commercial fishermen. The primary reasons for the decline noted in the report are poor management of fisheries resources and, most important, contamination of fish by pesticides and other chemicals which find their way into the Great Lakes. The report indicates that with the present situation there is no chance the number of Great Lakes fishermen or the commercial catch will increase. It is a pretty serious situation.

The importance of Great Lakes water quality to the quality of our over-all environment cannot be underestimated. Together with the United States, we share one of the largest bodies of freshwater on earth. Almost half of the Canadian population resides in the Great Lakes-St. Lawrence basin. When the International Joint Commission issued its report in 1970 that Lake Erie and parts of Lake Ontario were dying, there was great cause for concern, possibly even panic. As indicated in the report, Lake Erie was in "an advanced state of eutrophication" and Lake Ontario was approaching a similar state". In addition, it reported a profuse and proliferating growth of aquatic vegetation in the St. Lawrence River. The causes were primarily attributed to uncontrolled discharges of municipal and industrial waste on both sides of the border.

● (2150)

The report was released at roughly the same time as the creation of the Department of the Environment, a situation which gives an interesting insight into the effectiveness of the department. When the original Great Lakes Water Quality Agreement was signed with the United States in 1972, it was clearly up to the federal government to demonstrate leadership on one of this nation's most urgent environmental issues. The responsibility fell to the Department of the Environment. Its duties and powers, as stated in the bill before us, include:

—the enforcement of any rules or regulations made by the International Joint Commission, promulgated pursuant to the treaty between the United States of America and His Majesty, King Edward VII, relating to boundary waters and questions arising between the United States and Canada, so far as they relate to the preservation and enhancement of the quality of the natural environment.

In the original Water Quality Agreement of 1972, target dates for substantial improvements in water quality were set for December, 1975. That date has long since quietly passed, and the objectives were not met. The latest report of the International Joint Commission, issued last summer, warns that Canada and the United States are still not catching up with pollution on the lakes. It states water quality is not improving and pollution control measures must be taken more seriously if the process is to be reversed. The recommendations of the report, which cost $20 million, took three years of research and involved more than 300 investigations, must be put into force by government action. However, I question whether the Department of the Environment possesses the power necessary to produce the required results. If so, it has certainly been reluctant to exercise it in the past.

Of course, it is powerless to elicit more co-operation from the U.S. to meet our mutual objectives. Studies have shown Canada is far ahead of the U.S on its municipal sewage treatment projects. We can be proud of the fact that Canada is now treating 99 per cent of the sewage waste dumped into the lakes. Only 68 per cent of the sewage from cities and communities in the U.S. meet treatment standards under the 1972 agreement.

However, we are lagging far behind the United States when it comes to enforcing guidelines for Canadian industrial pollution. The worst Canadian polluters are the pulp and paper companies, although Canadian steel producers also lag far behind American producers. According to a 1978 report by the Great Lakes Water Quality Board, the 24 pulp and paper mills in Ontario produced less than half the total tonnage of their 72 U.S. counterparts, but they discharged more than four times the pollution in the form of phosphorous and micro-organisms which feed on the lake's oxygen supply.

The new Great Lakes Water Quality Agreement signed last November will place much stricter limits on the dumping of phosphorous into the Lakes. However, the amount of phosphorous pouring into the Lakes is now far in excess of 1972 guidelines. The new agreement gives no indication that the new guidelines will be any more rigidly enforced. If they are not, there is a good possibility that parts of Lakes Erie and Ontario will be changed back into lifeless swamp water, reversing the progress that has already been made.

Part of the reason our corporate pollution record is poor compared to the U.S. is our unwillingness to put some muscle into the enforcement of water quality guidelines. Too often government enforcement agencies are willing to bend when a company threatens loss of profits or lay-offs. This is not the case in the U.S. In 1977 the U.S. Steel Corporation was fined $4 million for discharging ammonia and phenol into Lake Michigan. By contrast, the biggest fine ever levied in Canada was $64,000 against the American Can Co. of Canada Ltd., for allowing mercury to leak into Lake Superior. That is some contrast.

In short, Canada has been soft on its corporate polluters. In its latest annual report, the International Joint Commission wrote:

One of the primary differences between the United States and Canadian approaches to effluent quality, is that plants in the United States were generally required to achieve compliance by July, 1977. In Canada, the compliance dates vary from plant to plant. Also, the corporate stringency of . . . control requirements may vary depending on the industrial sector, plant, and pollutant being considered.

The U.S. government has used a system of formal permits setting out the limits that industrial plants are required to meet. The U.S. federal government sets minimum standards, but some states set higher standards on their own.

In Canada, the province's limits are set in consultation with the federal government, and I would argue that it is at this time that the Department of the Environment should urge the provinces to adopt the toughest, most uniform standards possible. As it stands now, the provinces negotiate individual compliance standards with each polluter. These schedules can be, and often are, amended at the discretion of the province, very often under extreme duress by a large corporation.

This lack of rigidity, of uniform standards and of federal guidance is one of the primary reasons we are lagging behind the U.S. when it comes to controlling industrial pollution.

This lack of direction from the Department of Environment is evident in other areas, most notably in its failure to live up to its obligations to co-ordinate the anti-pollution activities of other federal departments. I am thinking particularly at this time of the lack of dialogue or interchange between the Department of the Environment and the Department of Agriculture.

The International Joint Commission has identified farm land use activities as a major contributor to polluting Lake Erie. According to reports, two thirds of the phosphorous in the lake has its source in farm run-off. Agriculture has been singled out as a particularly important pollution factor because of the increasing use of pesticides and uncontrolled discharges of wastes from livestock and poultry.

I am not blaming farmers directly, but I think it is about time the provincial and federal environmental departments and various farm organizations in Ontario and in the United States got together in an attempt to arrange better farm management in order to prevent further pollution from these pesticides that run off from artificial chemical fertilizers on farms where rivers flow south into Lake Erie from Canada, or north into Lake Erie from the United States.

At the same time, erosion of farm land has increased tenfold in the past 15 years, adding a vast amount of sediment to the lakes and choking streams and harbours. There is so much silt in small harbours such as Port Hope, Port Stanley and Port Burwell, to name only a few, that it is dangerous to pleasure boaters and commercial fishermen, and virtually nothing is being done about that. Yet there is no indication the Department of the Environment has entered into discussion on this problem with the federal Department of Agriculture or its provincial counterparts. The Department of the Environment, in conjunction with other departments, should be developing programs which would assist farmers to change their farm management practices. There is also a need for financial assistance to establish measures to deal with sediment and farm run-off control. This is an area where the Department of the Environment should be playing a central co-ordinating role, but it is not.

Something has to be done very soon in order to rectify this very dangerous situation that has developed in the Great Lakes lower basin. When one talks about the quality of fishing in the Gulf of St. Lawrence and offshore in eastern Canada, one should bear in mind an image of all this silt, chemical and human effluent, industrial waste and so on that is literally pouring down from the lower Great Lakes into the St. Lawrence River and, past Montreal where most of that city's human effluent is being discharged into the river, and out into the Gulf of St. Lawrence where it is harming fisheries off the east coast. In conclusion, there is a relationship between pollution in the Great Lakes and the fishing industry on the east coast.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FORESTRY—RESEARCH FUNDING OF FOREST MANAGEMENT INSTITUTE

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, on November 6, 1978, as reported at page 812 of *Hansard*, I

asked a question of the Minister of State (Environment) (Mr. Marchand) concerning a contract which was being negotiated by the Canadian forestry service with the Forest Engineering Research Institute of Canada. I suggested then that the work could have been done by the Forestry Management Institute, one of two forestry institutions in Ottawa, the other one being the Forest Fire Research Institute. Both of these institutions were slated to move to Petawawa after a lay-off of approximately 50 personnel.

The origin of this series of events goes back to the announcement by the Prime Minister (Mr. Trudeau) on August 1, 1978, of the intent to cut back government expenditures in a very massive way. The then president of the treasury board announced on August 15 that a series of government operations would be closed, including the Forest Research Institute at Petawawa. Very substantial representations were made by my colleague, the hon. member for Renfrew North-Nipissing East (Mr. Hopkins). The effect of his representations was to save the operation at Petawawa, and to bring about the closure of two institutes in Ottawa.

Since that time the minister has pursued a policy not only of relocation of what is left of these operations, but of privatizing two forest products institutes, one in Ottawa and the other in Vancouver. The minister confirmed in yesterday's *Hansard* at page 2515 that there exists an interim chairman of a board which has taken on the job of raising enough money from the private sector, which together with a government grant of some $4 million, will permit these two operations to continue.

My concern relates to the way in which this rather sad series of events unfolded. I support the decision of the government to cut back its budget and to adopt a policy of restraint because it is called for under the present circumstances. However, I cannot help but feel that it would have been better if the policy had been worked through more extensively in private before public announcements were made. Before an announcement is made the proposal should be carefully examined, with all its implications, to prevent changes after the initial public announcement.

I know that the employees of these forest products operations will accept the moves with the best grace possible, but I am concerned about those who terminate their employment with the public service, even if there is an offer forthcoming of private employment. A change of employer is not an easy thing. The President of the Treasury Board (Mr. Buchanan) has indicated that all agreements which are in existence will be honoured on behalf of those employees who are being transferred to the private sector. This involves changes which are not easily compensated for. For example, those who subscribe to the public service superannuation benefit scheme and who subsequently move to the private sector will find that there will be some pension adjustment. In many cases the benefits in the private sector are not equal to those in the public service.

I feel that the case for research is not being kept in sight, considering what is actually happening. The forest industry is responsible for something like $7.5 billion worth of exports, as the minister stated when his estimates were before the House.

[Mr. Francis.]

• (2205)

The contributions of a number of dedicated scientists in this particular industry cannot be underestimated. When the minister assumed his portfolio he addressed a national meeting of foresters and made an inspiring speech, telling them that they had to go out and sell their case for research to the public of Canada. In my public life I have never heard of a stronger case that could be made.

I know every cut is going to hurt. I know the decision on how to cut back is one of the most painful to be made, but I truly believe that the cutback in forestry research will hurt Canadians over the long period. There is a tremendous amount at stake.

I should like to have an assurance from the government that long-term research objectives will continue to be supported when these laboratories are privatized. I should like an assurance that there has been some basic determination of our needs in this area.

At a committee meeting recently I sat with the new Auditor General and we talked about value for money spent. If there ever was a case where value for money could be justified it is in forest research, limited though it has been so far at the federal level.

The people I represent in the national capital region, Mr. Speaker, know that the decision of their employer, the government, has to be accepted and respected. Many members on this side as well as on the other side of the House have raised the question of what the government is doing in this area, and the decisions have now been made. Tonight, I should like to have an assurance from the government that its basic objectives in forest management research will not be neglected.

Mr. Jack Pearsall (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, following the announcement of the government's expanded renewable energy program by the Minister of Energy, Mines and Resources (Mr. Gillespie) on July 4, 1978, the Canadian Forestry Service exchanged letters of intent with a number of organizations and private firms, one of which was the Forest Engineering Research Institute of Canada—FERIC—with respect to the projects under this expanded program.

The agreement currently being negotiated with FERIC provides for the institute to undertake certain studies related to forest biomass for energy over a two-year period in exchange for contributions by the Government of Canada not to exceed $750,000. FERIC was chosen by an interdepartmental group to carry out these studies because it has the necessary management expertise, as well as the ability to mobilize quickly the necessary personnel for the limited period of the agreement. The government's decision to fund this project and to negotiate an agreement with FERIC for its execution is consistent with the policy of promoting an increased research and development capability in the private sector.

The decisions and commitments in respect to the FERIC project were made before the Prime Minister (Mr. Trudeau) announced major reductions in government spending. Inciden-

tally, I should like to correct the hon. member's understanding that the Forest Management Institute is to be closed. Rather, it is to be moved to Chalk River where its programs will be amalgamated with those of the Petawawa Forest Experimental Station and the Forest Fire Research Institute.

The Forest Management Institute has some expertise in the renewable energy field. Indeed, these people will act as government project advisers to FERIC and as scientific authorities on other renewable energy projects contracted with the private sector.

To put the matter in perspective, FERIC is not being given funds to conduct forest energy studies at the expense of in-house forest energy research. The funds being contributed to FERIC are part of an expanding government renewable energy initiative shared by the Forest Management Institute and other government establishments. By making better use of the private sector in areas where it has the expertise, we feel this program will benefit the Canadian people and improve Canada's technological capability.

• (2210)

CANADIAN WHEAT BOARD—CO-ORDINATOR TO ENSURE MAXIMUM USE OF RAIL CARS TO MOVE GRAIN

Mr. Jack Murta (Lisgar): Mr. Speaker, I raised a question with the minister responsible for the Canadian Wheat Board toward the end of December. I asked in effect would the government consider introducing the position of a grain transportation co-ordinator to help co-ordinate and straighten out the mess that we have in grain transportation in Canada. His answer was very unclear at that time, to say the least, and his actions since that time have not led me to believe that a grain transportation co-ordinator for this very vital industry is any closer.

I submit this evening that a grain transportation co-ordinator will help straighten out the transportation mess we have. Grain is not reaching the port of Vancouver in sufficient quantities. And when the port of Thunder Bay was open, it was not reaching that port. This situation was demonstrated by the number of waiting ships, especially at the present time in the port of Vancouver.

Demurrage last year was high. It was in the vicinity of some $25 million, and it will be high again for this coming year. An interesting sidelight that may force some action on this whole question is the fact that within about three weeks the Chinese will be coming to Canada to take the grain that was purchased in the past crop year. They are expecting some 17 ships to load this grain in Vancouver. The unfortunate situation arising at the present time is the fact that the grain is not available. As a result, farmers and people in this country incur large demurrage charges. We have had lost sales in the past year in the order of some $450 million. This has been admitted now by the Canadian Wheat Board. That comes to approximately $3,000 per permit holder.

Under the terms of reference of a transportation co-ordinator I feel that the co-ordinator should have the power over the railways, the unions, the grain companies, the elevator companies, in effect all facets of the grain industry. The position of a co-ordinator should be brought in and legislated here in the House of Commons. The grain co-ordinator should be responsible to the minister in charge of the Canadian Wheat Board who is in effect responsible to parliament. A person holding this position of grain transportation co-ordinator should hold it for two years. In other words, it should not be a permanent position. We do not want this kind of control over an industry to be permanent in nature. The situation is so serious at the present time that the ultimate or arbitrary power proposed for this individual is necessary for the immediate future.

It is interesting to note that the grain companies are in favour of a transportation co-ordinator, as are some other segments of the grain industry. I feel that this step should be taken immediately. If it is, all parties in the house should give it speedy passage. The time has come for this form of absolute power over the grain industry.

Losses to the farmer and losses to Canada itself in terms of the amount of money grain generates are too great. A grain co-ordinator could be of some help in a labour dispute, if one were to arise at any of our major grain ports. The office of the co-ordinator which I envisage, existed back in the early 1950s. I believe it should be in Winnipeg. The co-ordinator would only need a very small staff because he would have power from parliament. As I mentioned before, his terms of reference should be no longer than two years, and until we get the transportation mess in this country sorted out.

In my opinion the situation has reached a critical stage. The government has studied the industry to death and has not done anything of a positive nature to help it. As an example the situation in Manitoba is very critical in the context that grain has not been moving in this particular crop year and farmers are very short of ready cash. The farmers deserve something better in the way of grain sales than they are getting at the present time. I see no other way than to bring in legislation for a grain transportation co-ordinator and give him the necessary power to straighten out the grain mess in Canada today.

• (2215)

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I listened with interest to the hon. member's proposal for a grain transportation co-ordinator. This has been discussed in numerous fora. It was discussed briefly at the senior transportation committee meeting on December 13, 1978, and again at the federal-provincial conference of grain handling and transportation on January 8 and 9, 1979.

The general opinion at these meetings was that the setting up of such a co-ordinator is not the best solution to the problem at this time and that a more desirable approach to ensuring that the maximum use is made of our grain handling and transportation capacity is to foster the utmost co-operation between the various segments of the system. The various participants are each experts in their own areas and it is important to make the most efficient use possible of this expertise.

If it were to be shown that the appointment of an outside co-ordinator is desirable, that step would be taken. In 1969, with the increased volumes of grain moving into Thunder Bay and Vancouver, it was determined that a grain movement co-ordinator was desirable in order to prevent congestion and unnecessary delays.

Obviously, a co-ordinator who was knowledgeable in the fundamentals of railroading and with some authority was needed. Two co-ordinators were appointed to co-ordinate the efforts of the various segments of port operations toward improving the throughput of existing facilities. They work in close liaison with the local supervisors of the various segments of port operations improving the flow of information and assisting in the resolution of operating problems.

The grain car co-ordinators have performed a vital function in assisting the movement of grain through Thunder Bay and Vancouver. Grain handling innovations have been introduced which probably would not have been possible without the important control function of the co-ordinator. Car unloading levels, rail car utilization and terminal elevator handlings have increased since these co-ordinators were put in place.

While these co-ordinators were necessary and are performing admirably, it does not follow that the co-ordinating function should be extended from the ports to cover the whole system. The system involves interaction between many groups, and over-all co-ordination would be extremely complex. It is desirable to encourage a co-operative approach, as the Minister of Transport (Mr. Lang) is doing through the senior transportation committee, and reserve the co-ordination as a position of last resort.

AIR TRANSPORT—CIVIL AVIATION INSPECTORS WITHOUT CONTRACT

Mr. Ron Huntington (Capilano): Mr. Speaker, on December 19 last, in a motion under Standing Order 43 I drew the attention of the House to the deteriorating situation in civil aviation standards in Canada. My motion requested the Minister of Transport (Mr. Lang), the President of the Treasury Board (Mr. Buchanan) and the Minister of Labour (Mr. O'Connell) to put their heads together in order to solve the very serious deteriorating situation with our civil aviation inspectors group.

On December 20, just before the Christmas recess, in the absence of the President of the Treasury Board I asked the Minister of Transport whether he was aware that comparability did not exist for that group with military pilots and air traffic controllers, let alone comparability with the private sector. In a rather offhand manner, the minister pointed out there had been difficulties and disputes involving the collective bargaining process. However, he shared my view that this is a very important group indeed.

The minister did not reply to my request asking him which of three crises he would wait for before something in a meaningful way was done to correct the deplorable condition that existed in the collective bargaining process. As in too many disputes today, the manipulation of the collective bargaining process is the root cause of attitudes and situations which affect a group as important as the one of which I am speaking.

● (2220)

I have three pages of chronology here involving some 32 steps since December 15, 1973, and this group has been without a contract since 1975. They submitted themselves to binding arbitration, and the Treasury Board negotiators at that time agreed to binding arbitration. Mr. Justice Hall ruled in their favour, yet the Treasury Board saw fit to appeal the case when it went before the AIB.

These people have fallen well behind the income levels of the military air pilots who serve Canada and the air traffic controllers who, because of their power, can shut down our air transportation system with the snap of a finger.

The civil aviation inspectors of Canada are charged with the responsibility of enforcing the law and maintaining a high and desirable standard of civil aviation safety. Their duties are many and varied. They look after more than 21,500 registered aircraft in Canada. There are 83,000 or more personal licences and permits which they supervise. There are licenced air carriers numbering something like 1,360. There are 950 licenced airports and 604 navigational aid systems which need their continuous supervision.

What has happened with this lack of comparability with their counterparts in the civil service, and most certainly with their counterparts out in the industry, is that they have lost spirit and are leaving their service. There are 369 man-years charged to this responsibility, and as I understand it now, over 60 of these have left that service and gone to the private sector.

The tragedy here is that this is a group which has a high standard of education and experience. They are the people who sit behind our commercial airline pilots and approve their performance and their knowledge of their aircraft. These gentlemen have 10,000 flying hours of experience, an average age of 49, and an average of 27 years of aviation experience.

I will give the particular case of one with 19,000 flying hours. He is paid a base of $18,620. He can get flying pay of another $2,400, for a total of $21,000. He is the gentleman who is supposed to rule on the ability of a young pilot flying a Cessna aircraft on the B.C. coast for about a six-month period during the open weather season. This young pilot can make up to $28,000 in six months. The whole flying industry is just laughing at the plight and the condition of these civil aviation inspectors.

I am quite frustrated when I see a government which is supposed to be responsible in this area, and a Minister of Labour who today answered my colleague, the hon. member for Vancouver South (Mr. Fraser), to the effect that it is strange to him that the hon. member would suggest that it is the principle of comparability which is at stake. I was quite shocked at the put-down given by the minister to my colleague, because I know the minister to be a serious and concerned

individual. I suggest that he take a very serious look at this very serious situation and the lack of fairness with this civil aviation inspector group within the air operations group of the Department of Transport.

These people are not union-oriented. Their job is to enforce the law. They were told by the Treasury Board that negotiations would begin again on January 3. For some magic reason—part of this game again—negotiations were not proceeded with, and the inspectors went out on strike. Because of a technicality and their respect for the law, they went back to work. Then they were told that there will be negotiations on January 29, but I want to leave the message with the ministers responsible that unless there is a meaningful offer on January 29, I can see nothing but deterioration with regard to this important group, and it is not the type of group which can be put back together once it has disintegrated.

● (2225)

Why is this government insisting on an attitude of destruction and unfairness in the comparability of wage even with their own colleagues in the civil service let alone in comparison with the people they have had to supervise and on whom they have had to enforce the regulations?

I would be very disappointed if the minister replied to me by saying this has anything to do with restraint. There are all kinds of areas where restraint can be applied and there are all kinds of waste in management by this government, but restraint in areas as vital and important to civil aviation in Canada and standards of civil aviation is deplorable, and I urge all three ministers to get to work on this urgent problem.

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I am pleased to provide the hon. member with some additional facts surrounding the aircraft operations group withdrawal of service. At this time the government is seeking clarification from the Public Service Staff Relations Board, through an application process, requesting that the PSSRB declare whether the group is in a legal strike position. This group is responsible for piloting of aircraft as well as inspection and regulation of aircraft equipment and aviation facilities.

There are three subgroups involved. They are: the 356 civil aviation inspectors earning an average salary of $24,854; 17 executive pilots and supervisors whose average salary is $31,426, and the helicopter pilots and supervisors who number 51 and earn an average income of $25,732.

This brings the total number of employees in the aircraft operations group to 424. The average salary for the group is $25,240. In addition, the civil aviation inspector is eligible to receive up to $2,400 annually as a flying allowance.

The former bargaining agent for the group, the Professional Institute of the Public Service of Canada, was decertified in July of last year. The Canadian Union of Professional and Technical Employees obtained the bargaining rights.

The group has been without a collective agreement since July, 1975. Both the former and current bargaining agents refused to enter into a new collective agreement. They thought it might prejudice their attempts to have overturned the order of the Administrator, under the Anti-Inflation Act, which restricted the compensation increases to the group to $2,400 annually, the maximum permissible increase under the AIB. This restriction applies to the two-year period from July, 1975, to July, 1977.

However, the government unilaterally implemented the maximum permissible increase under AIB in August, 1976, for the period concerned. This resulted in rates of pay being increased for the group by 11.5 per cent, effective July, 1975, and 9.86 per cent effective July, 1976.

The former and current bargaining agents have refused to sign a collective agreement incorporating these increases as the matter was before the courts. However, in November, 1978, the Federal Court of Canada rejected the challenge made by the bargaining agent.

On December 1, 1978, the government unilaterally implemented the maximum permissible increases under the AIB for the third guideline year giving the group a 9.41 per cent increase to rates of pay effective July, 1977.

As a result, for the period July, 1975, to July, 1978, the average salary for the group has gone up by 38.23 per cent, so that the current average salary is $6,756 higher than in June, 1975. On December 1 last, the government also served notice to bargain for the period beginning July, 1978, which is to start next Tuesday, January 30.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Friday, January 26, 1979

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

POST OFFICE

DOOR-TO-DOOR MAIL DELIVERY IN URBAN AREAS—MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

The city of Calgary is growing at the rate of more than 2,000 people per month. There are eight or more new, large districts in Calgary North and other areas where the Post Office has established postal depots, without boxes in many cases, and the depots are open only from eight o'clock in the morning to four o'clock in the afternoon. These new areas are made up mainly of young people from all parts of the country, and in many cases both spouses work and are unable to get their mail as the depots are locked by 4 p.m.. Family allowance cheques and personal mail are unobtainable.

Therefore, I move, seconded by the hon. member for Calgary Centre (Mr. Andre):

That the Postmaster General personally look into this serious situation and see that 4,000 boxes, unused and presently in the possession of the Post Office, are placed in these depots, and that the said depots remain open so that people, with or without keys, can obtain their mail after working hours; and, further, every effort should be made to see that all people get delivery of mail the same as established in other parts of the city of Calgary, in view of the present discriminatory policy, so that all taxpayers and Canadians have equal opportunity.

Mr. Speaker: Presentation of such a motion for debate can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

NATIONAL REVENUE

CANADA SAVINGS BONDS—REQUESTED INCREASE IN INTEREST RATE—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In the past three weeks the redemption of Canada Savings Bonds has accelerated, and again last week Bank of Canada figures showed a net decline of $90 million for that week, according to *The Globe and Mail*. This compares with $52 million the previous week and $22 million the week before. The average last year at this time was running at just $10 million. I move, seconded by the hon. member for Brant (Mr. Blackburn):

That in view of the fact many of the owners of these bonds are just plain, ordinary Canadian citizens, the Canadian government increase the interest rates on these bonds to protect these ordinary citizens and/or consider seriously indexing these bond issues to the consumer price index.

Mr. Speaker: Presentation of such a motion for debate requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1110)

SPORTS

UPGRADING OF WINNIPEG ARENA TO NHL STANDARDS—MOTION UNDER S.O. 43

Mr. Jake Epp (Provencher): Mr. Speaker, I rise under the provisions of Standing Order 43.

In view of the fact that officials of the city of Winnipeg, as well as those of other Canadian cities, have approached the federal government to aid in upgrading arena facilities to bring those arenas up to National Hockey League standards, a move which would allow for the possible expansion of the NHL into those Canadian cities, I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the federal government give the same support to representations from Winnipeg as it has to construction projects of sport facilities in other Canadian cities.

Mr. Speaker: Such a motion can only be presented for debate at this time with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

BEREAVEMENT

EXPRESSION OF DEEP SYMPATHY TO FAMILIES OF STUDENTS KILLED IN TORONTO—MOTION UNDER S.O. 43

Mr. Jim Fleming (York West): Mr. Speaker, under the provisions of Standing Order 43, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That, considering the tragic events of yesterday that stole away the lives of four young Toronto students and sent 29 others to hospital, this House wishes to express its deepest sympathy to the bereaved families and the students and faculty of Weston Collegiate.

Mr. Speaker: Pursuant to Standing Order 43, such a motion can be presented only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion by the hon. member for York West (Mr. Fleming), seconded by the hon. member for Grenville-Carleton (Mr. Baker). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

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THE CANADIAN ECONOMY

SUGGESTED COMMITTEE STUDY OF FISCAL POLICIES OF OTHER COUNTRIES—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, to present a motion of urgent and pressing necessity.

Since World War II, only four major western nations have had fiscal policies successful in keeping inflation under control, namely, the Eisenhower government of 1953, the de Gaulle government of 1958, the West German government of 1948, and the Diefenbaker government under which the inflation rate in Canada was kept to 1.6 per cent annually between 1957 and 1963.

Some hon. Members: Hear, hear!

Mr. McKenzie: I move, seconded by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn):

That the finance committee of the House of Commons forthwith initiate a study into the prudent fiscal policies of these governments with a view to replacing the "spending our way to prosperity" policy of the present Liberal government with the—

Mr. Speaker: Order, please.

[Mr. Speaker.]

NATIONAL SECURITY

SECURITY CLEARANCE OF CIVIL SERVANTS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent necessity concerning national security, and specifically in regard to two individuals, namely, Michael Pitfield, secretary to the cabinet and Eldon Black, under secretary of state for external affairs.

I would move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That the Prime Minister confirm that Michael Pitfield was refused top security clearance by the armed forces security services within the past two years, and that this was one of the main reasons for the removal of Walter Dabros as head of armed forces national security and, further, that the Prime Minister confirm that Eldon Black, among other duties, has been and is directing the replacement of RCMP security officers at Canadian embassies abroad with security officers of the Department of External Affairs; and, finally, that Mr. Black is involved with others in a planned phase-out over six years of the entire security services of the RCMP.

Mr. Speaker: The introduction of such a motion at this time, pursuant to Standing Order 43, requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDIAN AFFAIRS

RESPONSIBILITY OF GOVERNMENT FOR INDIAN HEALTH SERVICES—MOTION UNDER S.O. 43

Mr. Fonse Faour (Humber-St. George's-St. Barbe): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That this House welcomes the action of the Minister of National Health and Welfare in suspending for six months the proposed guidelines respecting Indian health services, and now calls on the minister to rescind the Blue Cross and Blue Shield contract entered into on behalf of Indians in the maritime provinces so that during the coming six months all Indian health services will clearly be the responsibility of the federal Department of National Health and Welfare.

Mr. Speaker: The introduction of such a motion for debate at this time can only be done with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

APPOINTMENT OF NEW DEPUTY MINISTER—EFFECT ON POLICY OF DEPARTMENT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Prime Minister and touches upon his announcement yesterday of the appointment of a new deputy minister to the Department of Finance.

In view of the fact that in the past decade our budget surplus of $393 million has gone to a budget deficit of $12.1 billion, that the current account surplus nine years ago of $1.1 billion is now $4.4 billion, that unemployment is up 50 per cent and inflation is now at 9 per cent, compared to 3.3 per cent, with bankruptcies up dramatically, will the Prime Minister indicate if the appointment of the new deputy minister yesterday was in anticipation of a change in direction as far as the Department of Finance is concerned?

• (1115)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the Deputy Minister of Finance can help the government, as in the past, to create jobs at a rate faster than any other industrialized country in the world, and if he can duplicate the record of the past ten years of creating more than 2.5 million jobs—

Mr. Lawrence: Good grief!

Mr. Trudeau: —I think that he will have demonstrated that the Canadian economy is in better health than any of the members of the opposition are able to put it into.

Mr. Stevens: Mr. Speaker, I would add to the Prime Minister's comments that if the deputy minister is instrumental in duplicating the record so far in this decade, God help Canada if the figures on inflation, unemployment, trade deficits and budget deficits continue to soar.

With regard to that general subject, would the Prime Minister indicate if the promotion of Mr. Shoyama to the position of special adviser in his own office is a further indication of the downgrading of the Department of Finance and the upgrading of the Prime Minister's office to deal with questions of the economy?

Mr. Trudeau: Mr. Speaker, if the hon. member is so concerned with the deficit continuing to soar, he should speak to his own leader who wants it to soar by another $2 billion.

Mr. Stevens: Mr. Speaker, the Prime Minister is always complaining that he is being taken out of context, yet he repeatedly takes the Leader of the Opposition out of context when he refers to questions of the deficit.

Some hon. Members: Hear, hear!

Mr. Stevens: Mr. Speaker, on October 20, 1978, I asked the Prime Minister if he could give the House an explanation for the soaring bankrupticies in this country, which in 1970 represented one in ten, compared to the United States, and at the time were up to seven in ten as compared to the United States. The 1978 figures are up by 28 per cent over 1977. At that time the Prime Minister stated that he was not aware of these figures and that he would read the report to determine an explanation.

Now, three months later, could the Prime Minister indicate to the House of Commons if he has an explanation for the startling increase in bankruptcies in this country?

Mr. Trudeau: Mr. Speaker, the hon. member suggests that I take his leader out of context. I wish that he would put him in context, in the context of the hon. member's statement in November that we should hold budget spending steady, with the clear statement by the Leader of the Opposition who wants to increase the deficit by $2 billion. Let him put that in context.

Mr. Stevens: Answer my question.

STEPS TO REDUCE NUMBER OF BANKRUPTCIES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I have a supplementary question for the Prime Minister, but perhaps I should repeat the question asked by my colleague.

In view of the fact that the Prime Minister, three months ago, said that he would be taking some specific steps in looking at the bankruptcy rates within our economy, what steps, in fact, has he taken during this period of time?

Right Hon. P. E. Trudeau (Prime Minister): None, Mr. Speaker.

Mr. Jelinek: Mr. Speaker, it is very obvious that the government has taken no steps to deal with the bankruptcy rates in Canada. But if the Prime Minister is not doing anything about the situation, I would like to put a question to the Minister of Finance.

In view of the fact that the business rate in Canada increased by 41.1 per cent in 1978 over 1977, would the minister be prepared, particularly within the small business sector, to look into areas which would reduce the bankruptcy rate—for example, amendments to the Small Businesses Loans Act?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, we put certain measures in our last budget in order to help small businesses in Canada. For example, we changed the rules regarding capital gains and small businesses are now taxed at a rate which is half that of big business rates. It is a much better rate than their counterparts have in the United States. The legislation for small businesses in Canada is very good, and I am supported in that by Mr. John Bulloch who was very happy with what was done for small businesses in the last bill.

Of course, when operating in an open economy as opposed to a controlled economy everyone takes their chance, and if the competition is very strong—a situation which everybody prefers—then some businesses will fail. It is what we call a market economy.

• (1120)

Mr. Jelinek: A supplementary question, Mr. Speaker. Is it not a fact that the Small Businesses Loans Act is not operating as effectively as was expected? In fact, a recent poll indicated that 95 per cent of small businesses applying for assistance were turned down.

Could the minister advise whether he has taken this matter up with the banks and, if not, would he now be prepared to do so in order that the small business sector may have an opportunity to take advantage of the act?

Mr. Chrétien: Mr. Speaker, I will certainly be willing to look into the matter and talk to the banks, but I think there is a lot of credit available in Canada. In fact, for the third year savings in Canada are at a very high point.

I am told that the liquidity of the banks and other financial institutions is very good. In fact, not long ago one of the banks increased the rate for mortgages and then decided to put it back because there was too much competition. I think, therefore, that there is a lot of money available in the banking system for big business and also for small business. If there is some special problem that the hon. member wants to refer to, however, he can indicate it to me and I will talk to the banks.

* * *

EMPLOYMENT

FUNDING OF OUTREACH PROGRAM—REQUEST PROGRAM BE CONTINUED

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Minister of Employment and Immigration which concerns the Outreach program and particularly women.

On January 18, the Saskatoon, Saskatchewan, Outreach program that was specifically directed at women received a notice that the funding would be terminated as of March 31. As the minister knows, that program aided hundreds of single-parent families and many hundreds of women in the last year in Saskatoon: it helped get people off welfare and found them work.

Will the minister reverse the decision of his department, make sure the program is not cancelled and that funding will continue for the Saskatoon Outreach program which is so valuable?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, the department recognized it was providing a valuable service. In fact, over the last years we have provided $191,000—close to $200,000 in funding.

[Mr. Chrétien.]

We have done a survey of the various projects, however, and it was the feeling of regional officers that this particular service could be adequately performed on a cost-benefit basis by the Canada-Employment centre in that region and that a comparable service could be offered to women in the region.

Mr. Nystrom: A supplementary question, Mr. Speaker. There are some 21 other programs that are similar in national scope across the country. Since the minister will not save the program in Saskatoon, can he assure the House that the other 21 programs will not be cut back and, indeed, will not be terminated but will continue to provide the excellent service they have given in those communities?

Mr. Cullen: Mr. Speaker, these have all been looked at and some are in the process of being looked at. In some areas they will be continued with exactly the same funding, in other areas the project will be continued with less funding, while some will be cancelled as is the case with the one raised by the hon. member.

We are giving a close and careful look to each Outreach project with a view to determining which should be funded at the full level, at a reduced level, or cancelled altogether.

Mr. Nystrom: A final supplementary question, Mr. Speaker. The minister may add that the Outreach program in his own riding, as I understand it, is getting increased funding. I should like to ask the minister why, when he makes these decisions, he does not consult the head of the women's employment division in his department or the people involved in the training and development program. The information I have is that these people have not been consulted, and they have the direct knowledge of the value of these programs to women. Why have they not been consulted?

Mr. Cullen: Mr. Speaker, I shall have to check the allegation of the hon. member. I know that we have had a co-ordinator in this particular area since 1972, and it would be strange if that individual was not consulted. I will check to find out if that is the case.

REPORT OF ADVISORY COUNCIL ON THE STATUS OF WOMEN—EMPLOYMENT STRATEGY

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary question for the Minister of Employment and Immigration. Has the Minister had an opportunity to study the remarks made earlier this week, and the report of the chairman of the Advisory Council on the Status of Women published on January 10, with respect to the failure to involve the Advisory Council in the evolution of the employment strategy of the minister's department?

Has he conferred directly with the chairman or other representatives of the Advisory Council because of the very serious allegations raised about the lack of consultation and lack of input in terms of the formulation of employment policies and their impact upon women?

● (1125)

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, in answer to the first part of the hon. member's question, I have not had an opportunity to meet with the chairman, Mrs. Rousseau, but in fact at the committee, when they were talking about job creation and encouraging workers to establish more stable work patterns, she indicated:

> The government may achieve this goal, not by reducing the benefits of the workers who are more likely to be affected by the a high unemployment rate, but rather by guaranteeing reasonable jobs and adequate training programs for women. The CACSW will go on studying very closely the employment strategy suggested by the government to inform women of their rights and job opportunities.

So, in fact, they have been studying the employment strategies: they have been looking at them and they have indicated that they are going to continue to do so. If there are representations to be made, they can be made. Mrs. Rousseau said:

> Women are full-fledged members of the labour force with the right to the same opportunities and advantages as their male colleagues on the work force.

And, Mr. Speaker, Mrs. Rousseau was quoting me.

Mr. MacDonald (Egmont): Mr. Speaker, I wonder if the minister would give this House an undertaking because of the very serious concerns raised about the lack of present consultation. Would he consult with his senior officials to see if there was any consultation with women or with the Advisory Council on the evolution of the employment strategy? Would he arrange, at the earliest possible date, a meeting in order to deal directly with the number of specific concerns that were raised at the recent quarterly meeting of the Advisory Council concerning the employment strategy and its impact upon women?

Mr. Cullen: Mr. Speaker, as hon. members on both sides of the House know, my office door is open. I have met with many, many groups. There is never any difficulty getting in to see the Minister of Employment and Immigration, and I have received valuable assistance and advice from a whole series of groups in this particular field.

I will check with my officials to find out if there was some consultation or not on this specific matter. I am prepared, obviously, to meet with the president at any time she wishes in studying all the projects she says their group is going to undertake, and hear representations from them because they do have valuable points and ideas to put forward.

[*Translation*]

JOB-CREATION PROGRAMS—REQUEST FOR IMPROVED AVAILABILITY OF INFORMATION TO MEMBERS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is also directed to the Minister of Employment and Immigration. As there are regulations governing the implementation of federal job-creation programs such as the Canada Works and the Young Canada Works programs, can the minister tell us why hon. members cannot acquaint themselves with those regulations? After all, they are delegated to represent their electors.

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I do not know why the hon. member has a hard time getting the regulations that govern the Canada Works program. If he has any more trouble in that regard, he can phone me and I shall give him the answer.

Mr. Laprise: Mr. Speaker, the minister suggests that I call him. I must tell him that during the month of December last, I called twice without getting an answer. Finally I wrote to the minister and here is the reply he sent me, as sharp as a north wind: "The regulations you speak of in your letter dated November 8, 1978 were designed exclusively to guide manpower advisers in their respective provinces." I wonder why hon. members cannot get those regulations since they too are appointed to represent their electors who seek their advice with regard to the implementation of the Canada Works and Young Canada Works programs.

Mr. Cullen: Mr. Speaker, every hon. member knows the details of the projects in his own riding; if the hon. member wants additional information, he can contact me and I shall give it to him.

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[*English*]

AIR CANADA

PROPOSED MOVE FROM HEATHROW TO GATWICK—REPRESENTATIONS TO U.K.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I want to direct a question to the Secretary of State for External Affairs. I am informed that he has made representations to the British government in connection with consideration being given by the government and the Board of Trade of the United Kingdom to switching air operations from the present Heathrow Airport to Gatwick. Air Canada, in consequence, will lose, in a little over 2½ years, $270 million.

● (1130)

What representations have been made? What is the present position? Has the British government given an indication that it is prepared to reconsider its desire to shift the operations at these airports?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): As briefly as I can, Mr. Speaker, the sequence is that this matter emerged some months ago between the Board of Trade, the appropriate government agency in Britain, and Air Canada. At that time Air Canada indicated its opposition to the move. That opposition was reinforced in representations which I and the Minister of Transport made to the then minister of the Board of Trade, Mr. Dell. Within the last few weeks the matter has been moved to a government-to-government basis as a result of conversations between our Prime Minister, Mr. Callaghan and others in December.

The note which was referred to in the House a few days ago was delivered in person by our High Commissioner a week ago yesterday, I believe. Consequently, we are now awaiting the reaction of the British government. As of this morning, just shortly before coming into the House, no formal response—which, obviously, a formal note requires—had come from the British government. I stated in the House the other day, and I welcome this opportunity to reiterate it, that the Government of Canada agrees with Air Canada and will vigorously support all of its efforts to remain at Heathrow.

Mr. Diefenbaker: Would it not help in the deliberations that are taking place if this House were to pass a resolution strongly objecting to a course of action that will be so detrimental to Air Canada? Surely the House in general would be prepared to do that. If so, it would add strength to the representations being made by the High Commissioner.

Mr. Jamieson: Mr. Speaker, no one in the House is more aware of the sensitivities and sensibilities of the British government and British parliament on these matters. I will consider it, if it appears it would be advantageous to do so. Certainly, we on this side would have no objection. The only qualifying consideration would be whether or not the judgment on whether it would be beneficial is sustained. I will look at it over the weekend.

* * *

TRADE

MEASURES TO STIMULATE MANUFACTURING INDUSTRY AND REDUCE TRADE DEFICIT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce.

As the increase in our trade surplus last year was due solely to increased sales of our raw products, which provide relatively few jobs in their production and require absolutely no sales effort because of the great desire of other countries, particularly the United States, to obtain our raw products, and in view of the statement by Statistics Canada this morning that our trade deficit in fully manufactured products increased by 10 per cent during the past year to $12.2 billion from $11 billion in 1977, I ask the minister, will he not now come forward within the next week and announce to the House just what he is going to do to stimulate our manufacturing industry so that we can start to overcome this enormous trade deficit in fully manufactured products, the ones that produce the jobs?

I ask this especially in view of the fact that the Canadian Manufacturers' Association has stated that if we can overcome this enormous trade deficit, we can provide no less than 800,000 additional jobs for Canadians to work at, and completely eliminate unemployment in this country.

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I just happen to have the music to answer the hon. member's question. Basically, manufacturing jobs are up substantially in Canada this year over a year ago. Capacity utilization is up substantially, nearly 5 percentage points, over a year ago.

With regard to manufactured goods, I have the Statistics Canada figures with me. Imports of manufactured goods, inedible, are up 5.2 per cent. Our exports are up 24.5 per cent.

Some hon. Members: Hear, hear!

Mr. Horner: I wish the hon. member would take a pencil and write these down. I have the exact figures for our imports of manufactured goods. The figure is $33,121 million for 1977. In 1978, imports of manufactured goods totalled $34,857 million. Compare that with the exports of our manufactured goods and the substantial increase is obvious. In 1977, we exported $30,042 million, and in 1978 we exported $37,412 million. That is a substantial increase in exports of manufactured goods. Naturally, this has been reflected in greater factory utilization and greater employment in the manufacturing field.

Mr. Hees: All of which adds up, Mr. Speaker, to the Statistics Canada announcement this morning that the trade deficit in fully manufactured goods had increased by 10 per cent to $12.1 billion, as opposed to $11 billion a year ago.

As the minister demonstrated when he was in China, figures confuse him, and when they do he is inclined to make statements that have no relation to fact and are ridiculous. In view of this, have we in this House any more reason for having confidence in the figures that the minister produces to try and convince us of his argument than did the Chinese businessmen when he tried to sell them trucks?

Mr. Speaker: Order, please.

* * *

NORTHERN GAS PIPELINE

STATUS OF ALASKA HIGHWAY PROJECT—MANUFACTURER OF STEEL PIPE

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, my question is directed to the President of the Privy Council in his capacity as minister responsible for the Alaska Highway pipeline project. It has to do with the current status of this multibillion dollar project.

In view of concern registered in Hamilton and Washington that the project might not go ahead because of a possible deal between the United States and Mexico on the delivery of gas, can the minister give the House some kind of assurance that the pipeline will be built and, notwithstanding possible alternative arrangements the Americans may be exploring, can he assure us that the Canadian steel industry will not be delivered the kind of body blow that would be felt with hundreds of jobs lost? If this project is in jeopardy, it would have a profound impact on Hamilton and other parts of the country.

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, in so far as the Government of Canada is concerned, there is absolutely no weakening of interest or determination in pursuing the successful completion of this project.

With regard the hon. member's reference to an American-Mexican deal, I believe that suggestion was put to rest by Mr. Schlesinger in his testimony before Congress recently when he placed his priority on Alaskan gas as his first objective in the energy field. That, of course, indicated his support and the support of the administration for the northern gas pipeline. Yesterday, I had a conversation with Mr. Schlesinger. There is no question whatsoever about the common resolve of both governments to accelerate as quickly as possible this particular project.

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I am thankful for the minister's assurance. However, my understanding was that the closing date on tenders for steel was last October. I would like to know when steel contracts will likely be awarded, and whether the minister will give the companies adequate lead time for plant expansion, jobs, and so on. Can the minister give us any hope for relief in unemployment in the steel and electronics industries in Hamilton and other areas of this country affected by this project?

Mr. MacEachen: Mr. Speaker, shortly before the Christmas break it was announced in the standing committee dealing with the northern pipeline, by the pipeline commissioner, that I had approved—and a subsequent press release confirmed this—the procurement plan for Foothills. That procurement plan, of course, authorized Foothills to begin negotiations with Canadian steel companies both in Hamilton and in Saskatchewan for the supply of Canadian pipe for this particular project. Therefore, there is absolutely no delay whatsoever in the processing of the Foothills' procurement plan. I have not heard in the past two weeks the results of the negotiations between Foothills and the steel companies.

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● (1140)

CANADIAN BROADCASTING CORPORATION

RADIO AND TELEVISION SERVICES IN ENGLISH AND FRENCH

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, my question is for the Secretary of State. In view of the recommendation of the Task Force on Canadian Unity which refers to the right of every Canadian to have access to radio and television services in both the French and English languages, will the minister tell the House what he has done, and what more he plans to do, to speed up the CBC's so-called accelerated coverage plan?

French-speaking Canadians in many northwestern Ontario communities in which they are a majority are becoming increasingly impatient with the CBC's foot-dragging in providing this service, one for which parliament has already voted the necessary funds.

Some hon. Members: Hear, hear!

Hon. John Roberts (Secretary of State): I am aware of this situation, Mr. Speaker. The hon. member has been pertinacious in bringing it to my attention—and I have discussed it with the CBC authorities. I will renew those discussions to try to make sure the hon. members's representations are given full and sympathetic consideration.

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CONSUMER AFFAIRS

SUGGESTED ROLLBACK OF BELL CANADA RATE INCREASES

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is addressed to the Minister of Consumer and Corporate Affairs. Yesterday, Bell Canada announced a scandalous 37 per cent increase in profits for 1978, a year in which it was allowed higher rate increases by the federal government.

In view of the need to control inflationary pressures in Canada, can the minister tell us whether he will take the necessary steps to roll back the rate increases recently given to Bell Canada, thus reducing the cost of living burden on Canadians?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): The government is concerned about these increases, but as far as I know we have no power to roll back at the present time. But I will look into that.

Mr. Blackburn: The minister should be aware of the over-all profit increases announced yesterday by Statistics Canada, showing profits increasing at a rate of 34 per cent. Can he tell us what steps he and his department are taking to get the corporations to reduce their prices, in view of this exhorbitant increase in profits, so as to lessen the burden of inflation this year?

Mr. Allmand: We have no program to try to prevent companies from earning profits, or high profits which may in some cases be due to their efficiency and to their ability to sell their products well. On the other hand, there could be cases where profits are unwarranted, and I shall be glad to look into the matter further.

* * *

POST OFFICE

DOOR-TO-DOOR MAIL DELIVERY IN URBAN AREAS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Postmaster General a question in line with the motion I sought to move under Standing Order 43.

There are eight new communities in Calgary—probably more—in which 30,000 or 40,000 people are obliged to get

their mail from what they call the post office depots which open at 8 a.m. and close at 4 p.m. There are no post boxes there, with the result that these people are often unable to get their mail. This city has been growing at a rate of more than 2,000 a month and the fight for better service has been going on for months.

Will the Postmaster General take a look at the situation personally, because the present arrangements are highly discriminatory, unfair and unjust?

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, I would be most happy if I could give door-to-door delivery of mail to every Canadian but, as the hon. member knows, we are operating under financial restraints and we have to abide by them.

The conditions the hon. member has described exist in other areas. They exist in my area, in the Scarborough area of Toronto and, of course, in Calgary; they exist in suburban areas where there is a fast-growing population. Maybe a more positive way of looking at this would be to say that if these areas are growing so fast, it is because the economy of the country is so good.

Mr. Woolliams: I appreciate the answer, but it is no answer at all. I am pointing out that 4,000 boxes could be put into this depot so that people could go there with a simple key, just as was done 40 years ago, and pick up their mail. The present system is holding up pension cheques, baby bonus cheques and all that class of mail. I would ask the minister to analyse his answer carefully and give me a proper answer with a view to giving these communities some service.

Mr. Lamontagne: I am as much concerned as is the hon. member about the postal service in these areas and I can assure him that, especially in Calgary and in the Toronto area, we have special teams now trying to give people as quickly as possible, the required service.

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PUBLIC SERVICE

ATTITUDE OF GOVERNMENT IN NEGOTIATIONS WITH CIVIL AVIATION PERSONNEL

Mr. Ron Huntington (Capilano): Mr. Speaker, I have a question for the President of the Treasury Board. His negotiators are once again entering into talks with civil aviation inspectors of the air operations group: the date is January 30, I believe, if the meetings are not cancelled again.

I should like to ask the minister whether the negotiators will enter those meetings in a spirit which will resolve the lack of comparability which exists for that unfortunate group as between them and their counterparts in the military, and the air controllers group and their counterparts who supervise in the civilian sector? This meeting is very important for the civil aviation standards of Canada. Can the hon. gentleman give us some idea of the attitude his negotiators will be taking?

[Mr. Woolliams.]

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, it is obviously our intention to enter into the negotiations in good faith. As the hon. member knows, this group has since 1975 been contesting the status of the AIB and some of its rulings through the administrator and through the Federal Court. The matter was resolved last fall. Nevertheless, on two separate occasions we gave the group the maximum increases to which they were entitled under the AIB guidelines, even though there were no negotiations, and we are now in the process of entering into negotiations for the current period.

It is certainly our desire to arrive at a settlement and to do so in the most open and fair manner possible.

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CORPORATE AFFAIRS

INQUIRY WHETHER PUBLIC SERVANTS HAVE TRADED IN PACIFIC PETROLEUM SHARES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Has there been any investigation by officers of his department into whether there has been trading in any manner, shape or form by members of the public service in the shares of Pacific Pete at the time of the purchase and the offer by Petro-Can of Pacific Petroleum shares?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): I am not aware of that, Mr. Speaker, I would have to look into it.

* * *

BUSINESS OF THE HOUSE

SECOND READING OF BILL CONCERNING ARAB BOYCOTT

Mr. Bob Kaplan (York Centre): My question is for the House leader, Mr. Speaker. When will the government call for second reading the bill dealing with the Arab boycott?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): As the hon. member knows, that bill is part of the legislative program and it will certainly be my intention to deal with it as quickly as possible. Indeed, I would consider having consultations with party representatives to determine whether there might be a way of expediting this bill.

* * *

CANADIAN BROADCASTING CORPORATION

TELEVISION COVERAGE IN SOUTHEAST MANITOBA

Mr. Jake Epp (Provencher): Mr. Speaker, my question is supplementary to one addressed earlier to the Secretary of State. When Bill C-58 was passed, a number of border com-

munities lost the only television channel they had, because they had been getting American television. The CBC then came forward under the ACP, saying they would put in an English television service, though most Canadians take coverage in at least one language for granted and now are getting coverage in the second language.

When will the CBC finally fulfil its promise to operate an English service in southeastern Manitoba? The corporation now says it could not do so in 1978 because of restraint, though those commitments had been made well before the government's present restraint program was introduced.

Hon. John Roberts (Secretary of State): I am pleased the hon. member has referred to Bill C-58, which has now been in operation for four years, because of the extraordinary success of that measure, one which was passed despite the opposition of members on the other side of the House.

As far as the hon. member's representations as they relate to Manitoba are concerned, I will discuss them with the CBC and come back with an answer.

* * *

TRADE

REQUEST FOR PROGRESS REPORT ON GATT NEGOTIATIONS

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the President of the Privy Council, who is responsible for the GATT negotiations.

● (1150)

I should like to ask the President of the Privy Council the following question. Since there seems to be an appalling lack of communication between Ottawa and Washington, and some sources in Washington have indicated that unless there is some move made by Canada the whole agreement on the GATT package would be in serious jeopardy, and since Canada is one of the only countries that has made no move to sign an agreement, what are the problems at present, and why is it taking so long for our negotiators to complete this very important agreement with the United States which will eventually lead to the completion of the GATT talks?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): First of all, I should say that while progress has been made generally, no agreement has been signed and, strictly speaking, no moves have been made to sign such an agreement and probably will not be made until the spring because negotiations are still continuing. It is not a matter of surprise that comments will appear in one country or the other suggesting that more should be given by Canada. I would regard that as a normal bargaining technique. We are still negotiating intensively with the United States and with other countries and we will continue to do so.

I do not see any benefit in attempting at this stage to negotiate in public or to give explanations why Canada is taking certain positions. We are taking the general position to get maximum advantage for Canada, and it seems to me that the hon. member should commend us for having drawn such a reaction from our other partners.

Mr. Murta: Mr. Speaker, nobody is asking for public negotiations. I should like to ask the minister the following question. Since the United States has made its offer with the other countries and has an agreement with the European Economic Community, and since that offer cannot stand unless Canada makes additional offers—up to this point there has been very little movement made—would the minister inform the House what instructions the government intends to give to Canada's negotiating team so that the present round of tariff talks will be concluded as quickly as possible?

There is a great deal of concern in the United States and in some circles in Canada that these talks will not be completed and that Canada might withdraw from tariff negotiations altogether.

Mr. MacEachen: I can put to rest that concern. If there is any concern that the talks will not be completed or that Canada will withdraw from the negotiations, there is absolutely no foundation to any such suggestion at this time and it is my firm expectation that there will be a successful conclusion to these negotiations. But these are negotiations and Canada is attempting to get the best possible result in the service of Canadian interests. At the present time, it is not my intention to disclose publicly the nature of instructions that are given on a day to day basis to the Canadian negotiating team.

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EXTERNAL AFFAIRS

CANADA'S POLICY ON APARTHEID

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. At a series of votes at the United Nations General Assembly, apparently Canada voted affirmatively on seven votes and abstained on eight others. The favourable votes seemed to have been in favour of general expressions of world opinion against apartheid, whereas the eight votes, from which we either abstained or in which we voted against were against various forms of sanctions, including a proposed ban on new investment in South Africa and a pledge of assistance to national liberation movements.

Will the minister state whether it is Canada's definite policy to vote for rhetorical expression against apartheid, and then to vote against any practical steps to make the resolutions into additional binding sanctions?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for having given me notice of this question. I have looked over the package of resolutions to which he has referred. The basic principle which was followed is one which I think the hon.

member, with his experience at the United Nations, can understand and would probably agree with.

In the General Assembly at the United Nations, we will support those resolutions which are critical or condemnatory of apartheid. Matters of sanctions are expressly, and quite legally and properly, the purview of the Security Council and consequently we do not believe that it is wise to have the debates on sanctions questions in the General Assembly, that the real focus for those is in the Security Council. That is the basic reason for the pattern followed in the voting yesterday, which I think the hon. member will find, on looking over the record, to be consistent with what we have done all along.

Mr. Brewin: Before Christmas, the minister agreed with the chairman of the Standing Committee on External Affairs and National Defence to have a briefing on Namibia and South Africa with which the minister was very much involved. Is the minister now agreeable to proceeding with this briefing as soon as possible and, if so, could the necessary arrangements be made with the President of the Privy Council to give proper terms of reference so that we can get on with the account from the minister of what happened in this important part of the world?

Mr. Jamieson: I have already had conversations with the chairman of the committee and I am informed by him that he has already written me a set of proposals in this regard. Of course, I will be more than pleased to appear before the committee in any form or way that seems to be most suitable.

In the meantime, I think the House might be interested to know, and certainly the hon. member will, that the UN representative, Mr. Ahtisaari, has now returned from Namibia, that what we had forecast hopefully before Christmas has transpired and the prospects, I am glad to say, look, at the very least, reasonable for United Nations' supervised elections in Namibia. So I will have something of a more substantial nature to report when the committee meets.

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FINANCE

REASON FOR RAISING BANK RATE

Mr. Bill Clarke (Vancouver Quadra): Since the Minister of Finance just left his chair, I should like to address my question to the Prime Minister.

Since the government still claims it is not trying to prop up the Canadian dollar, can the Prime Minister tell the House why the bank rate was raised this month to 11.25 per cent, more than double the rate of 5.25 per cent which existed in January, 1973, just six years ago?

Right Hon. P. E. Trudeau (Prime Minister): If the hon. member would refer to the record, he would see that the parliamentary secretary is here to give the answer which has been given many times in the House.

[Mr. Jamieson.]

EMPLOYMENT

SUMMER EMPLOYMENT PROGRAMS FOR STUDENTS

Mr. Paul Dick (Lanark-Renfrew-Carleton): My question is directed to the Minister of Employment and Immigration. Since university students and university graduates will be leaving colleges and universities in three months' time, I wonder if the minister has any plans to announce, and when he makes the announcement, if he makes it, will he speak about any summer employment programs or other summer programs to assist young people?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, the press release of Young Canada Works projects was made public in the latter part of December. We are also looking at specific areas where it would have particular impact, such as the Sudbury-Nickel Belt area where a strike is in progress, to see whether we can find additional funding for such regions.

Mr. Dick: Accepting the fact that Young Canada Works is usually part of a package of summer programs which the minister usually announces, including a number of programs running to millions of dollars providing summer youth employment by different departments and agencies of the federal government, I wonder if the minister will announce how much money will be spent on such programs and whether there will be an increase over last year, in view of the high rate of unemployment among the young people in this country.

Mr. Cullen: I did circulate the figures and I commented on them to some extent last September. We reintroduced the job experience training program in which a lot of students are participating. Also, the employment tax credit program is in place to encourage employers to hire more young people. So there are those two additional projects in addition to those I mentioned, the 13 or 14 others that are aimed at young people. A quarter of the money spent on those programs—a quarter of $714 million—is specifically aimed at the employment of young people.

* * *

● (1200)

CONSUMER AFFAIRS

REQUESTED IMPROVEMENT IN METHOD OF SEARCHING LAND TITLES

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the fact the practice of searching titles each time a property or house is bought costs Canadians a sum which is onerous, particularly when they buy their first house, would the minister ask his provincial counterparts to establish, for the benefit of the consumer, registries containing up to date information on the status of titles, thereby replacing the costly procedure of searching titles from scratch each time a property changes hands?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, as the hon. member said, that is a provincial matter; but I would be willing to write my provincial counterparts concerning it and put it on the agenda for our next federal-provincial meeting.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. Yesterday when the government House leader was absent from the House, for a good and sufficient reason, I asked his deputy about the House business for next week, and his answer did not deal with next week. Since the government House leader has returned, I wonder if he could give us an indication of the government's legislative intentions for next week. Perhaps the government House leader might be able to comment further respecting the Arab boycott bill. That would be helpful to the House. If he has any intention of calling it early in the week, he can be assured we will have no objection whatsoever.

Mr. MacEachen: Mr. Speaker, I am glad to respond to the question of the hon. member for Grenville-Carleton. I thank him for his understanding of my absence yesterday; I was in Halifax extolling the immortal memory of Robert Burns.

Some hon. Members: Hear, hear!

Mr. MacEachen: I should like to tell the hon. member for Kingston and the Islands that the address she gave a year or two ago is well remembered. The hon. member drew a capacity audience, but not as great as it was last night!

Some hon. Members: Hear, hear!

Mr. MacEachen: The intention is to proceed today with second reading of Bill C-9. I will bring that forward on Monday if it is not carried today, and hopefully continue the second reading of that bill. Following that, it will be my intention to call Bill C-2 to amend the Health Resources Fund Act, and then vary somewhat the order which I gave earlier and call Bill C-12, which will be of interest to the hon. member for Grenville-Carleton.

These are the items I will call within the next few days. Also, I should like the House to deal quickly with second reading stage of Bill C-35 which has already received three days of debate. Because of the general support for the bill, if possible I should like to have it passed within a relatively short additional time of debate.

Respecting the Arab boycott, it is on the legislative program. If we are able to secure an agreement to deal with it within a particular time frame—perhaps a day—I would be happy to send it to committee. At this point I cannot call that bill unless I have some understanding as to how long debate on second reading will take.

Order Paper Questions

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order arising from the answer by the President of the Privy Council in respect of business of the House. You will recall, sir, that he said Bill C-12 dealing with public service superannuation would be called some time next week. I presume it will be dealt with at the first instance next week. It might be very helpful to the House if the President of the Treasury Board could early in the week table the figures the government will be disclosing in any event during the minister's speech on second reading, so that members of the House can see what figures the government feels are applicable for the first triennial period. The debate could then be couched with those figures in mind. In terms of the public interest, and certainly in terms of the interest of public servants, this is the $64 question. Perhaps the minister would consider that, and if it could be done I think it would add immeasurably to the debate and perhaps its early completion.

Mr. Buchanan: Mr. Speaker, I would be quite prepared to look at that suggestion. For myself, I see no reason why that information should not be given early in the week. There may be some technical problems but, barring that fact, I would be happy to do that. I think it might do much to allay the concerns of some hon. members and those of public servants who are retired or close to retirement. For that reason I would be happy to do that.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, the following questions will be answered today: 390, 804, 806, 836, 847 and 875.

[*Text*]

EXPENDITURES IN EDUCATION—QUEBEC

Question No. 390—**Mr. Herbert:**

During each of the past five years, what amount, by province, was given to the Government of Quebec in the field of education, including language?

Hon. John Roberts (Secretary of State): A. Post Secondary Education:

Payments made by the Secretary of State to the Province of Quebec during fiscal years 1973-74 to 1977-78 under Part VI of the Federal-Provincial Fiscal Arrangements Act, 1972 (Post-Secondary Education Adjustment Payments) and Part VI of the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977.

Order Paper Questions

Fiscal Year	Payments Made During Year (Thousands of Dollars)
1973-74	196,070
1974-75	232,981
1975-76	240,859
1976-77	335,642
1977-78	311,455
Total	1,317,007

B. Canada Student Loans Program—Alternative Payments to Quebec:

	(Thousands of Dollars)
1973-74	9,036
1974-75	10,698
1975-76	12,708
1976-77	13,190
1977-78	13,559
Total	59,191

C. Citizenship:

Fiscal Year	Citizenship and Language Instruction	Language Textbooks
1973-74	$115,440.00	$ 11,470.30
1974-75	181,913.25	240,182.27
1975-76	156,107.25	42,931.33
1976-77	544,231.75	68,159.57
1977-78	339,302.93	—
Total	$1,336,995.18	$362,743.47
Grand Total	$1,699,738.65	

D. Language Programs:

Educational Contributions Paid Out to the Province of Quebec by the Language Programmes Branch of the Department of the Secretary of State (1973-1974 to 1977-1978)

	1973-74	1974-75	1975-76	1976-77	1977-78
Formula payments, elem. sec.	$45,000,083	$37,067,859	$42,055,714	$63,834,048	$109,772,304
Formula payments, post-sec.	6,179,189	12,082,599	14,330,981	26,857,447	29,495,150
Language training centres	—	191,236	108,764	—	200,000
Special Projects	459,012	714,994	1,310,241	2,319,876	2,227,761
Scholarships for the study of an official language	322,000	336,000	454,000	411,000	586,000
Scholarships for teachers	88,538	385,505	406,902	322,973	431,469
Summer Language Bursaries	856,580	983,883	1,178,001	1,451,495	2,197,403
Total	$52,905,402	$51,762,076	$59,844,603	$95,196,839	$145,910,087

VICTORIA HEALTH CENTRE—FREDERICTON

Question No. 804—**Mr. Howie:**

1. How many beds does the Department of Veterans Affairs have at the Victoria Health Centre in Fredericton, New Brunswick for the care of disabled veterans?

2. What is the rate of occupancy and is there a waiting list and, if so, how many veterans are on the list?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. The Department of Veterans Affairs has 57 domiciliary care beds for veterans at the Victoria Health Centre in Fredericton.

[Mr. Roberts.]

2. The present rate of occupancy is 100 per cent. On December 22, 1978, there were 65 veterans on the waiting list. Of these, 21 have been assessed as requiring domiciliary care, 21 requiring extended care, and 23 are in the process of having their care needs assessed by provincial authorities.

Approval has been given to develop 60 additional domiciliary care beds for veterans in New Brunswick, and as these beds come into operation in the near future, the waiting list at Fredericton will be reduced. Some of the patients on the waiting list (approximately ten) are now in other health care facilities in New Brunswick (hospitals or nursing homes) and are thus already receiving institutional care.

EXCISE TAX ON GASOLINE

Question No. 806—**Mr. Howie:**

For the fiscal year ended March 31, 1978, what was the total revenue received from the excise tax on gasoline?

Hon. A. C. Abbott (Minister of National Revenue): Total revenue received from the Excise Tax on gasoline for the fiscal year ended March 31, 1978: Revenue, $770,402,453; Refunded, $171,999,746; Net revenue, $598,402,707.

NATIONAL REVENUE—FINANCE PROJECTS IN RICHMOND

Question No. 836—**Mr. Beaudoin:**

1. Since 1968, did the Department of National Revenue finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. A. C. Abbott (Minister of National Revenue): 1. No. (a), (b) and (c) Not applicable.

2. No. (a) and (b) Not applicable.

VETERANS AFFAIRS—FINANCE PROJECTS IN RICHMOND

Question No. 847—**Mr. Beaudoin:**

1. Since 1968, did the Department of Veterans Affairs finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs):
1. No.

2. No.

INDUSTRIAL MATERIALS RESEARCH INSTITUTE

Question No. 875—**Mr. Howie:**

What is the general theme of research to be conducted by the Industrial Materials Research Institute?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows: The general theme of the institute's research is the deterioration and durability of materials.

[*English*]

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

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

Some hon. Members: Agreed.

* * *

PRIVILEGE

MR. DIEFENBAKER—DELAY IN ANSWERING STARRED QUESTIONS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise on a question of privilege. I have believed always that the essence of parliament is that questions, when they are asked, are answered within a reasonable time. I do not ask questions just for amusement. They have a basis in fact; otherwise they would not have been asked.

I intend to refer to three starred questions. On November 22 I placed question No. 610 on the order paper. It reads as follows:

1. Has the Department of External Affairs set up an exercise known as "Program for Foreign Visitors"?

2. Are funds available for foreigners touring Canada as "opinion formers"?

3. How many of such "opinion formers" have toured Canada under the auspices of the Department of External Affairs, and what was the total cost in each of the past four years?

These are simple questions. These people were going across the country singing the Hallelujah chorus for the government.

Next, on November 22 I placed question No. 611 on the order paper. It reads as follows:

1. In consequence of Mr. Igor Gouzenko's revelations, how many individuals were prosecuted and (a) who were they (b) what happened in their respective cases?

2. How many named in the revelations were not prosecuted and for what reason?

3. With the termination of the 30 years during which secret documents are not revealed, for what reason is an exception being made in connection with his revelations?

Parliament has a right to that information, even though it might be uncomfortable for the government.

Also, on November 14 I placed question No. 576 on the order paper. It reads as follows:

1. Was an order made that files containing secret or security information were not to be released until the expiry of 30 years and, if so, on what date?

2. Has the government decided that all files in connection with the Gouzenko revelations of 1945-46 shall not be released now and, if so, for what reason and on what basis?

3. Is the government aware of a press report that the reason given for non-production is "That they might hurt some people now living"?

4. Were any such individuals then or thereafter or since cabinet ministers?

This series of questions does not require very much research. In every case this House has been denied the information; it has been delayed six or seven weeks. Why? If the government has nothing to hide, why hide it? What has happened here is a flagrant disregard and denial of parliament. There can be no excuse, excepting that the government does not want to reveal this information before the general election expected by me to be in April. Incidentally, I predicted that time for the election last October.

I want to have these questions answered. It may be understandable that there is diffidence on the part of the government to reveal the answers, but there is nothing in those questions which is not in the government's files and known to the government. I rise at this time simply to say that if we cannot receive information on matters which may be uncomfortable or even understandably viewed with suspicions by the government, then we might as well close down parliament. There have been some six, seven and eight weeks with no answers. I bring this to the attention of the House and I shall continue to do so regularly because I want this information before the election and not after.

• (1210)

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, I will be very happy to draw those observations to the attention of my colleague, the parliamentary secretary to the government House leader. If I may just briefly respond, we do attempt to do this work as quickly, as efficiently and as effectively as possible. Last year I recall, when answering for my colleague on several occasions, that we ran fairly currently at a rate of somewhere between 80 per cent to 90 per cent of answers given to the current list of questions as they existed from week to week on the order paper.

The right hon. member referred to the questions he had placed on the order paper, starred questions, as being fairly simple questions. That may be, but I can assure him, as I am sure hon. members of this House know, that not all questions

on the order paper are simple. Some are very complex and very involved and require a few days and often months of research by officials to locate, collate and bring the right information forward to the House.

I will take notice of the right hon. member's remarks and draw them to the attention of my colleague, as I have said. I can assure him we will attempt to get all the available answers to him as soon as possible.

Mr. Diefenbaker: It should have been a minister answering, not a parliamentary secretary.

GOVERNMENT ORDERS

[*English*]

CANADA REFERENDUM ACT

MEASURE TO PROVIDE FOR HOLDING OF REFERENDUMS ON CONSTITUTION

The House resumed from Tuesday, December 12, 1978, consideration of the motion of Mr. Lalonde (for Mr. Reid) that Bill C-9, respecting public referendums in Canada on questions relating to the Constitution of Canada, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, let me continue the remarks I commenced late in the evening of December 12 when we last had a one-day opportunity to consider this measure. This is very important legislation in respect of which it now appears obvious, following that one-day debate, that the old alliance is once again appearing in parliament prior to an election. That old alliance, as you will recall, existed between 1972 and 1974 in respect of important issues this government brought forward in legislation at times when there was a serious prospect of the government being removed from office. The government was then invariably supported by my friends to the left in the New Democratic Party. We are again experiencing an example of that kind of "me-tooism". In fact, one person said to me, I think in jest, that once again the NDP was acting as a fellow traveller on the road with the government.

I am glad the hon. member for Yorkton-Melville (Mr. Nystrom) is here as I intend to address myself to this legislation in terms of its implications for provinces such as Saskatchewan, and in terms of the rights and regional interests of certain parts of Canada.

I think it is of the greatest importance to determine precisely what this legislation does, its extent and its scope in terms of the issue before us today involving the province of Quebec. From the introductory remarks and the remarks of various spokesmen on behalf of the government, including those of members of the NDP, it has become clear that this legislation is being brought forward for one purpose only, and that is to deal with the situation that now exists in the province of Quebec. No one has suggested, for example, that we have this bill before us because of the existence of a western Canada separatist party. No one has suggested we have this legislation before us because of an Acadian problem in Atlantic Canada. It is before us for one reason and that is the problem which exists in the province of Quebec.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: I am not going to become involved in a debate with the hon. member as I only have 20 minutes left. However, we are not talking in terms of any political party, however small it might be, in the province of New Brunswick. My colleague will know that some candidates ran during the last election with a separatist bent. We are simply dealing with this legislation now because of the situation in Quebec and we should analyse this bill from that point of view.

When we look at this bill we find it goes far beyond that problem and in fact introduces a new device for constitutional change. I am glad to note that the newly appointed Minister of State for Federal-Provincial Relations (Mr. Reid) has finally taken his seat in the House during the course of this debate. I should have thought he would be in attendance constantly during the debate, but I appreciate the fact that he is now here.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on a point of order. I regret interrupting the hon. member and I do not wish to be argumentative; I simply want to set the record straight. I know he is not trying to create a new issue, I am sure of that. I simply want to tell him that no party in New Brunswick during the last election ran on a separatist platform. There is a party in New Brunswick called Le Parti Acadien. Its aim is not to separate from Canada but to have a separate province of Acadia and remain in Canada.

Mr. Hnatyshyn: Mr. Speaker, I appreciate hearing from the apologist of that particular group from the province of New Brunswick. I realize now that he acts as their spokesman.

Let me speak in terms of this legislation which in fact does create—

Some hon. Members: Oh, oh!

Mr. Paproski: Mr. Speaker, will you tell them to keep quiet, please?

Mr. Hnatyshyn: Mr. Speaker, for all the world—

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) has the floor and I suggest we listen to him. We might all learn something.

Mr. Hnatyshyn: That is good advice, sir. I wish whoever it was that installed the buzz saw at the back of the other side of this chamber would remove it.

This bill goes far beyond the particular problems we are facing today vis-à-vis the province of Quebec. It introduces a new device for constitutional change in respect of our provinces. I have some misgivings about this legislation which I should like to outline as quickly as possible within the limited time at my disposal. I hope the intervention by the hon. member opposite is not taken from my time.

Let me express certain misgivings I have because of this clearly very wide-ranging piece of legislation. As a result of statements by the responsible minister, and I say that in the legal sense as opposed to the actual sense, I have very serious misgivings as to how far this government intends to go with this legislation. Some of the clauses of this bill, specifically clause 3(1), provide in fact that referenda may be used for the discussion of constitutional matters. It is not a question of separation by any province, but a question of any constitutional matter. Clause 3 provides:

● (1220)

(1) Where it appears to the governor in council that any question relating to the Constitution of Canada or relating to or arising out of a proposed or possible change in the Constitution of Canada is of sufficient importance to warrant obtaining the opinion of electors on that question, the governor in council may, by proclamation, direct that the opinion of electors be obtained on that question by putting the question to the electors of Canada or of one or more provinces specified in the proclamation at a referendum called for that purpose.

Therefore, the government will define any question relating to the constitution, whether proposed or possible changes and whether in fact the matter is of sufficient importance. That is the reality of our parliamentary system. This power as to what issue is constitutional and of sufficient importance is left solely in the hands of the government of the day.

This government says that they are simply setting up the mechanics of a referendum and that parliament will be consulted. They then make provision for consultation, but is it a matter of introducing a bill where every aspect can be debated, or of using the normal parliamentary device and procedure of referring it to a committee before which parties or parliamentarians who are affected may come and argue their case, whether it be pro or con? What we have in this bill is the provision that we will magnanimously receive the opportunity to debate a resolution for 40 hours.

The leader of the New Democratic Party was ecstatic. He thinks that this is an amazing opportunity for us to examine the question with respect to the particular referendum. I suggest that that particular provision in itself is enough for people seriously to question this bill. Parliament in effect is being excluded from any specific question that has come foward with respect to a referendum in Canada. We know that the full extent of debate will be utilized by members supporting the government which put forward this legislation. There will be little opportunity for any minority points of view or for any dissent to be brought forward in the context of that kind of procedure.

I suggest that under the guise of bringing forward legislation, ostensibly to deal with the province of Quebec, the government is attempting to arm itself with powers regarding referenda and the concept of referenda in Canada. As a parliamentarian I resent that, because I was elected by my constituents from a particular area of Canada to talk in terms of their aspirations and hopes within Canada. I do not want the interests of my constituents to be diminished or sidetracked, even if the government offers 40 hours of debate in the House of Commons. How many members will have an opportunity of participating in that debate? We will have 288 members in this House after the next election. If one divides 40 by 288 one will get exactly the amount of time available to each member, and one can quickly see that that does not leave very much time for hon. members to speak on this matter.

Mr. Knowles (Winnipeg North Centre): Two hundred and eighty-two.

Mr. Paproski: He knows that.

Mr. Hnatyshyn: I stand only second to the Minister of Industry, Trade and Commerce (Mr. Horner) on my figures.

Mr. Nystrom: The Tories are always wrong.

Mr. Hnatyshyn: I will deal with the hon. member for Yorkton-Melville very shortly, but I want to deal now with the government's intention with regard to this bill. To alleviate any doubt there might be in anybody's mind, I would like to quote from certain speeches made by ministers regarding this bill. In a speech made by the Minister of Justice (Mr. Lalonde) on the introduction of this bill, he said:

For instance: It could serve to acquaint the large majority of our citizens with the importance and character of proposals for constitutional changes and permit the people to express themselves directly on these proposals. Even if the proposals were supported by the great majority of federal and provincial governments and by the important political parties, such public participation on the process of constitutional change could be very valuable.

Further on in that same speech, he said:

Direct public involvement could also serve to guide the federal and provincial governments, should the process of constitutional revision ever become blocked.

At the conference of first ministers on the constitution last October, the Prime Minister (Mr. Trudeau) said:

Once again, what will we do if once again we fail because one of us, or two of us, is not in agreement with the overwhelming majority? Do we just throw up our hands—let some constituent assembly made up of editorialists and professors and legal experts write the thing, we haven't been able to in 51 years, let's give it to somebody else? Or do we consult the people, as a suggestion that has sometimes been made?

The former minister of justice, who is now the Minister of Transport (Mr. Lang), stated before the Senate and House of Commons committee on the constitution possible uses of the mechanism for a referendum. He said:

These options indeed contemplate the use of referenda in lieu of consent of parliament as well as in lieu of provincial legislatures. Second, a strong argument can be made for direct voter involvement in constitutional amendment, particularly when government are chronically unable to reach agreement.

Finally, the Prime Minister at a press conference indicated his use of referenda in terms of constitutional change. Theoretically, this government could, on a very broad and important range of issues dealing with constitutional matters of every type and of extreme importance, proceed to use this

device as a very large club in terms of constitutional amendment provisions.

What of the interests of minority groups in this country? I was interested to hear the remarks of the leader of the New Democratic Party who, along with other members of his party, professes to be interested in minority rights. Does his party accept the proposition that the majority point of view shall prevail as implicit in the use of referenda? Is this somehow their idea of protecting the rights of minority groups across this country?

I ask the hon. member for Yorkton-Melville, has he been consulted by his leader about this bill? Has the hon. member for Regina-Lake Centre (Mr. Benjamin) been consulted about this bill? Is there unanimity in their party with respect to this legislation? I challenge the hon. member to stand up and say that he has the full support of his party. I would like to know, for example, where the hon. member stands if the Government of Canada, with regard to our energy needs, decided that it will pursue the question of resource control and taxation in terms of constitutional authority and jurisdiction. What will happen then to the province of Saskatchewan if it has a minority point of view regarding the arrangement in 1930, where by the control of all natural resources was turned over to the provinces of Saskatchewan and Alberta, and this arrangement is rescinded and the resources revert to the control of all Canada? Has Mr. Blakeney discussed this matter with the leader of the New Democratic Party? Is this a matter where they are on all fours, so to speak?

We know the New Democratic Party's position in the coming election. A former member of that party and a man who is on intimate terms with each of its members, Mr. Doug Fisher, wrote an article in which he pointed out that there is absolutely no dout where his party stands in terms of supporting parties in this House; that when it comes to the crunch his party will support the Liberal government and the Prime Minister of this country right down the line. I would like to hear from that party where they stand in terms of this particular bill. Is it just another example of their blind subservience and obedience to the great Liberal party of this country when it comes down to the crunch? I want to hear them in the next election speak about the right to and control of resources. Where will the New Democratic Party stand on that issue?

● (1230)

I know that the New Democratic Party, for example, has very close allegiance with the CLC. I suggest that on occasion the party should be renamed the "New McDermott Party". It is clear that the leader of the New Democratic Party is now relying very heavily on trade union leadership for support in the next election. What is going to happen when the leader of the New Democratic Party goes to Mr. McDermott and says that the government is under considerable pressure to include the right to work as a constitutional right in our country under a charter of rights? There is a substantial body of opinion in Canada that believes the right to work should be included in the constitution. I have met with a number of chambers of commerce that have made such representations to me, as I am sure they have to many other members. What is Mr. McDermott, the real leader of the New Democratic Party, going to say about that kind of referendum being held in Canada?

What is going to happen if there is a possibility of such a suggestion being endorsed by the majority of Canadians? Of course, then we would have to reconsider. The leader of the New Democratic Party says, "He will fight that. We have 40 whole hours to debate it in the House of Commons. You know what we can do in 40 hours, Mr. Speaker; we have demonstrated we can do it."

There are so many instances of possible abuse under the terms of this bill that I seriously question why any member of the House, including members of the government, should support it. The suggestion or the argument that the bill is limited in scope is preposterous. We are not dealing with a minor question such as whether someone's garbage is picked up in a municipality or whether a school should be built in one area of a province or another; we are dealing with matters of fundamental importance to our country. We are dealing with the constitution, which includes the question of rights, liberties and powers within our government. Let members on the government side remember that the role of parliament is to be a counterbalance against all-powerful governments.

If we in this parliament simply allow this kind of legislation—which arms governments, regardless of political stripe, with powers to involve the country in constitutional changes—to pass, then I say that regardless of on which side we sit we do a disservice to our constituents who have sent us there to represent them.

I want to conclude, Mr. Speaker, by dealing with a couple of other aspects of this bill.

Mr. Abbott: Oh, oh.

Mr. Hnatyshyn: Now we have the cutting and dashing Minister of National Revenue—the world traveller to India at public expense—trying to become involved in his usual way in these debates, speaking from a sitting position.

Mr. Abbott: A point of order, Mr. Speaker. I was talking to the hon. member for Winnipeg North Centre (Mr. Knowles), not heckling the hon. member who has the floor. If he wants to heckle me about travelling at public expense he should look to the performance of his own leader as he stumbled around the world.

Mr. Hnatyshyn: Mr. Speaker, the minister always has the appearance of heckling when he opens his mouth. If that is not what he was doing, then I apologize to him. Now that he has raised the matter I would point out that our leader paid for his own travel arrangements around the world. It was at our expense and was carried out with some greater degree of success than the trip to India that the minister made.

Miss MacDonald: Where he was going to give away our textiles.

Mr. Hnatyshyn: Mr. Speaker, I simply want to deal with the provisions of the bill if hon. members opposite will allow me to do so. I know they are very nervous about this legislation. In the usual way there has been a minimum of consultation about the bill in the party. Their members are never consulted; their function is to do as the Prime Minister tells them—to come here and jeer and applaud and support him in anything he may decide to do. I feel sorry for them and sympathize with their plight. They may be put out of their misery, however, after the next election, so I hope they enjoy doing what they are doing now.

I want to deal briefly with a couple of aspects of the bill, Mr. Speaker. The bill will set up the mechanism for referanda in this country. There are some questions that must be asked about this, however.

The Acting Speaker (Mr. Turner): Order please. I regret to interrupt the hon. member but I have to inform him that his allotted time has expired. He may continue with unanimous consent. Does the hon. member have consent?

Some hon. Members: No.

Mr. Hnatyshyn: A point of order, Mr. Speaker. I would merely inquire whether these interventions which were not of substance have been taken off my time. I think it only reasonable, if that be the case, that—

The Acting Speaker (Mr. Turner): Order, please. The Chair recognized that point and gave the hon. member an extra minute.

[*Translation*]

Mr. Donald J. Johnston (Westmount): Mr. Speaker, I am quite pleased to carry on the debate on a bill which in my opinion will be one of the most important to be considered by the House. It is a legislation which could play a predominant role in the constitutional debate and even in the existence of our country. Frankly, Mr. Speaker, I cannot stress enough the significance of the legislation for us Quebeckers, my constituents in Quebec, and I know that I do not speak only for the Anglophones in Quebec but also for all Quebeckers who believe in a united Canada. It is essential that our federal government be in a position to protect the interests of Quebeckers in the face of the present threat, that is the referendum to be held by the Parti Québécois. Such is the object of the bill. Therefore, Mr. Speaker, we hope that the debates in the House will rise above partisan considerations.

I was very disappointed to read the comments made by the hon. member for Kingston and the Islands (Miss MacDonald) in connection with the bill. I even felt that her comments were demagogic. I would like to quote an example, Mr. Speaker.

[*English*]

At page 2039 of the *Hansard* for December 12, 1978, the hon. member for Kingston and the Islands said:

> I do not find this legislation before us today to be in that spirit of honesty and forthrightness which this difficult subject demands. I see this legislation as being devious, dangerous and even deceptive. It purports to be an act respecting public referendums in Canada on questions relating to the Constitution of Canada. It is, instead, a blatant attempt to subvert and undermine the responsibilities and duties of the Canadian system of responsible government.

[*Translation*]

Now, Mr. Speaker, the contrary is true. She is looking for non-existent motivations in that bill. As we often say, she is looking for difficulties where there are none.

● (1240)

[*English*]

Mr. Paproski: You haven't been around here long enough.

Mr. Johnston (Westmount): I expect to be around here a long time.

I must emphasize the point that we in the province of Quebec, no matter which language we speak, are understandably sensitive to this particular issue. We want this law. My constituents are not interested in debating points or in playing partisan politics on a matter of this importance.

[*Translation*]

Mr. Speaker, I wish the opposition would take the same approach.

[*English*]

During the course of my campaign as recently as last autumn, I found that one of the concerns of the people of the province of Quebec of whatever policitical stripe is what the federal government has done to help in the critical situation in which we find ourselves. This is a serious matter which I can understand members from other parts of Canada perhaps not being sensitive to.

Unfortunately many of the people in Quebec, probably like many other people across this country, fail to appreciate the nature of the federal system. They look to the federal government as having some magical, superior powers with which to deal with such problems and with Bill 101. Of course, that is not the case. Here we have before us a proposed law through which all members of this House can do something as a federal government for the people of the province of Quebec who are at this moment menaced, whose rights are threatened and who are also threatened with being separated from the rest of Canada, perhaps through the use of a referendum being proposed by the provincial government.

This is one of the few legal steps we can take and one of the few concrete things we can do to demonstrate the fact that we will not let the people of Quebec be the victims of a referendum on a question posed which is ambiguous, unfair or meaningless. I do not believe that this law will ever be used. I have more confidence in my government of Quebec as a resident of that province than to think that the government of Quebec will put forward a question deliberately designed to fool the people of that province into providing a yes answer to a trumped-up question.

The existence of this law is very important to me, Mr. Speaker, and it is very important to the people in my riding. I

suspect the same holds true of all of the people across the province of Quebec. I would be very surprised if Conservative candidates and members of parliament from Quebec were to take the attitude taken by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) and the hon. member for Kingston and the Islands because they are not threatened with separation—

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: It is our country too.

An. hon. Member: Who do you think you are?

Mr. Johnston (Westmount): There are six million people in the province of Quebec, six million Canadians, and they have to be our concern. Most of those Canadians want this law.

An hon. Member: What about sovereignty association?

Some hon. Members: Oh, oh!

Mr. Johnston (Westmount): I am sorry, Mr. Speaker, but I did not interrupt the hon. member for Saskatoon-Biggar.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Westmount has the floor. I suggest we listen to him.

Mr. Johnston (Westmount): Often in Quebec and elsewhere in this country I find a misconception in that we have grown so regional in our thinking. Some people outside the province of Quebec seem to have grown insensitive to the fact that, as I have said, there are over six million people at the moment who are faced with a referendum. This referendum will be conducted by a provincial government. Surely we are not to deny the federal government the right to conduct similiar referenda on any subject of constitutional importance.

I do not understand the basis for the objections of the hon. member for Kingston and the Islands and the hon. member for Saskatoon-Biggar, which I have read, but I will come back to that in a moment.

The fact is that today we often focus attention on Alberta. Alberta is a region. What is important about Alberta? Why we care about Alberta is the fact that there are approximately 1.8 million Canadians in that province, according to the 1976 census. There are approximately 2.8 million Canadians on the island of Montreal and there are as many Canadians that are faced with this menace from the province of Quebec as there are Canadians west of Ontario in the western provinces, including British Columbia.

Let us not lose sight and perspective of what we are dealing with. We are dealing with a very serious and real threat. It is very important to us in the province of Quebec that this law is put in place and put in place soon.

I noticed that the hon. member for Grenville-Carleton (Mr. Baker) in his comments made on December 12 said that we should not move hastily. I do not think haste should be used in the adoption of any law of this importance. I think we should all work together in a non-partisan way to produce a law that is going to afford the kind of protection to Canadians who live in the province of Quebec which they require.

This bill is consultative. This bill permits the Government of Canada to take the pulse of the Canadian population. This bill cannot bring about fundamental constitutional change. This bill could be referred to, as we often refer to the Quebec referendum bill, as a sophisticated public opinion poll. What more can be read into it than that? Is the opposition saying to us that we are not to know what the Canadian people feel about particular constitutional issues? Would they also like to muzzle private polls, Gallup polls, and Canadian Federation of Independent Businessmen polls which I receive regularly, to find out what business people are thinking in certain areas of the country and communities? That is what this poll is for. Are we to deny the people of Canada the right to express their opinions on matters of this kind?

I would be quite in agreement with the hon. member for Saskatoon-Biggar and with the hon. member for Kingston and the Islands if this situation were to be in any way binding upon parliament. I agree that that would be a denial of the parliamentary democratic system. I am sure everyone would agree with that, and the leader of the New Democratic Party stated it categorically during the course of his comments.

I find this debate quite extraordinary in that I find nothing in this bill other than the right of the federal government, after very substantial debate, in fact more debate than is allowed under the referendum bill of the province of Quebec, to put a question to the Canadian people or to one part of the country for their opinion. It can relate to anything contitutional, but it is certainly not going to change the entrenched provisions of any of our constitutional laws, particularly when it is not binding on this parliament. So there is nothing devious. There is nothing dangerous. I find it extraordinary that the Canadian people should be denied this right.

Accordingly I feel that the debate is somehow getting off track and into areas of partisan politics where it should not be. It is not that kind of legislation. I might also say that the consultative process is very important. However, there may be other ways we can go as well. This kind of referendum bill is certainly one of them.

I felt on this whole question of constitutional debate that we should have involved the muncipalities. I regard municipalities as having an important voice. I know that the Canadian Federation of Municipalities believes it has an important voice and should be speaking on constitutional issues and be at the negotiating table. In a very few years approximately 80 per cent of this country will be urbanized. The powers and the responsibilities of our municipalities are very great. In 1976 municipalities spent 23 per cent of government expenditures in Canada. They should be involved in a very real way. So this is another area of consultation that we should be looking at.

I say the more consultation with our constituencies, the better. That is why I go back to my riding to find out what the people are thinking. Apparently the hon. member for Saskatoon-Biggar prefers not to know what Canada is thinking. I want to know what Canada is thinking on these constitutional

issues. I like to know what the mayors and the aldermen are thinking and what problems they have. The more input we have, the better. In the particular issue before us the immediate problem we have is a situation in the province of Quebec which is threatening.

● (1250)

In conclusion, I as a member from Quebec want to underline the significance of this legislation. I ask the opposition parties to share the concern of their fellow Canadians. I cannot emphasize the importance of not permitting this debate to degenerate into bickering and partisan politicking. I ask them to reconsider their views and the impact they can have.

I see nothing in this bill that can in any way be detrimental to the parliamentary democratic process. I prefer that a structure exist that can deal with all constitutional questions and the financing of all referenda so that provision will not have to come up if a referendum is indeed to be debated in this House. It can be debated now and the mechanism put in place so that it will be there for all of us.

At the moment we are dealing with an issue in the province of Quebec. In the future who knows what issue we will want to take the pulse of Canada on in this area of constitutional reform, which is so terribly important to all of us.

With those comments I will terminate my intervention in this debate. I repeat, my point of view may be somewhat different from that of members of the opposition. I put before them the point of view of someone directly involved with the problems of the Quebec referendum. I see nothing in their arguments that lead me to believe that this bill should undergo any alteration whatsoever. I am a listener. I do not believe I am partisan. However, in the arguments I have heard, as we often say in Quebec—

[*Translation*]

There is nothing there.

[*English*]

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I am absolutely appalled. I am also extremely happy to follow the hon. member for Westmount (Mr. Johnston). I would like to have seen the text of what he said because I cannot believe what he was saying, that this arm, tool, instrument or sword will never be used. Then why involve this House in a debate?

If as the hon. member for Westmount has indicated—and it is obvious from the way things have been developing—the problem of the separation of Quebec is the focus or feature that this government wants to attack, why the hell have they not been honest enough to say so?

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): Why have they not produced a referendum in the terms that they feel will be required to be used?

The other absolutely incredible statement made by the hon. member for Westmount was this: "Why are you going to deprive us of the instrument to make a sounding across Canada, so that we can disregard it?" They are not even going to use it when they get it.

Do they not know what Canada wants? I know what Canada wants. Canada wants to stay together. I take a back seat to no one in this House or in this country on my record for this country as a whole from coast to coast to coast. Now, put that in your buzz saw and buzz it a bit! I have proved that three times. The first time I proved it was the time when one member in particular in this House could not prove it. I was prepared to put on a uniform and prove it. Thank God there are more of us around this House who did that.

I also proved it when I proudly represented this country abroad up to the point when my pride in my country began to wither in the face of the policies of the Prime Minister (Mr. Trudeau) and his minions behind him. I had to resign. I could not represent the policies being negotiated by this Prime Minister and this government.

The third time I proved my desire to keep this country together was when I took the oath of office as a member of this House to represent my constituency. If anyone here feels they have to go beyond this oath, they should be ashamed.

Let us make no mistake. This is one of the most important debates facing this country. It is certainly the most important debate that has taken place since I have been in parliament. Let there be no doubt that we are embarked today on constitutional reform and institutional reform as well. That is certainly the way we are proceeding.

I ask myself this: should any government with the record of this government be given the right to introduce constitutional amendment or institutional reform of this general, sweeping nature and significance when, (a) it is in the final days of its mandate, and (b) it has such a dismal record of performance, bringing this country to its knees? During its ten years in office, this government has managed to drag this country down in a manner that no one would have thought possible ten or 11 years ago.

Miss MacDonald: The task force said it yesterday.

Mr. Munro (Esquimalt-Saanich): As my colleague said, the task force said it yesterday. I wish to read from page 16 of the task force document which was praised yesterday by the Prime Minister. In the fifth paragraph, on page 16 of this document, I read the following words:

> Another factor concerns the central government itself. Fifteen years ago—

That was 1963. Let's remember what happened in 1963:

> —it stood high in the minds of a large number of Canadians, and was widely regarded with respect and a feeling of loyalty. Even those who felt little loyalty to it at least respected its efficiency and competence. Today, that is much less true; "Ottawa", as we found on our tour, is for many Canadians synonymous with all that is to be deplored about modern government—a remote, shambling bureaucracy that exacts tribute from its subjects and gives little in return.

I could not have said it better myself.

The Acting Speaker (Mr. Turner): Order, please. It being one o'clock I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, when I called it one o'clock I was being challenged to read on in the quotation I had already started. I see no reason why I should not read on. I was referring to the report of the Task Force on Canadian Unity. The first part of it describes how Ottawa, in the minds of so many, is synonymous with all that is to be deplored about modern government. I continue with the quotation I was reading:

> We recognize that this is an unfair stereotype, and that in another 15 years the pendulum may have swung back to the other extreme;

I emphasize the word "may". If this government were in power for another 15 years there would never be a chance—there wouldn't even be a pendulum to swing.

> This view of such a widespread appeal today is one of the significant elements which must be borne in mind in any attempt to improve our situation.

We must recognize that. This government does have a deplorable record.

Let us just turn our attention for a few minutes to 1967. Look at our history as it has developed from that time. In 1967, when we were at the peak of our self-confidence and enthusiasm, there was nothing which we in this country could not do. We were, perhaps, a trifle overconfident; I am prepared to admit that. There was not, perhaps, that dash of humility we needed to temper our approach to the future. Maybe that is why we are in trouble today. We lack humility, like certain other people we know in the House who have none of it. Yet genuine enthusiasm existed in those days.

● (1410)

There was enthusiasm to spare about the future, and with good reason. Our material resources were virtually limitless. Perhaps we lacked matching human resources in terms of quantity, but that really meant we would be longer developing that future in the days ahead of us. The only way in 1967 was up, we thought. Now look at us. Only 11 years later unemployment weighs heavily upon us, inflation destroys our earnings and makes us despair of the future. The Auditor General, an officer of this parliament, can see that parliament has lost control of its expenditures, and our national community lies in shreds before our eyes.

We had everything going for us in 1967, and now nothing is going right. We are hopelessly in debt and getting in deeper daily. What have we to pass on to the generations that follow but a monstrous burden of debt? This government has brought us to this pass and it has the nerve to suggest that it should be entrusted with a mandate at this late stage in its career to reconstruct and reconstitute the institutions of this country in such a broad, general manner, institutions and an economy that have been mauled so grievously.

I think it is time we took a very close look at this particular bill and its terms. The first thing that will strike us is that it does not set up machinery for just any kind of a referendum. It is not designed to find out what I or anybody else in Canada think about the death penalty or about abortion. In fact, such matters are specifically excluded from its ambit, the whole thrust being constitutional reform and constitutional terms. Therefore, it is by way of being a constitutional bill.

It is also aimed, as we shall see, at the Quebec referendum. We heard that pretty clearly from the hon. member for Westmount. But how sharp is the aim, Mr. Speaker? That too we should look at. In essence, the bill proposes a new dimension for political consultation in Canada on matters relating to the constitution of this country. As such it would be introducing, as I suggested, far-reaching institutional changes in our political structure.

Another feature which I hasten to bring to your attention is that the bill bypasses provincial legislatures, provincial governments and provincial electorates on matters which are within the provincial sphere of interest and jurisdiction. In this connection I think it is worth citing an extract from the communiqué issued on April 14, 1978 by the western premiers conference in Yorkton. It starts out by saying that:

> Last week the federal government introduced in the House of Commons the Canada Referendum Act. Section 3 of the bill provides a referendum can be held on "any question relating to the Constitution of Canada or relating to or arising out of a proposed or possible change in the Constitution of Canada."
>
> While the western premiers agreed that it may be desirable for governments to have the machinery to conduct plebiscites on certain matters from time to time, they strongly caution against any attempt by the federal government to substitute this machinery for the settlement of constitutional questions long recognized by constitutional practice and precedents as requiring the approval and consent of every provincial government.

Are we going to override the mandate of one of the constituent parts of this country?

[*Translation*]

Mr. Speaker, we have to ask why the Prime Minister is intent on going so far in generalities. The main constitutional issue of concern to Canadians at this time is undoubtedly that of the splitting up of our country, which is the aim of the PQ movement in the province of Quebec. Let us recognize that fact clearly and simply. The only referendum question that the government needs to pursue is therefore that of separation. So why introduce such a complicated bill as Bill C-9 and include in it a clause worded as follows, and I quote:

> Where it appears to the governor in council that any question relating to the Constitution of Canada or relating to or arising out of a proposed or possible change in the Constitution of Canada is of sufficient importance to warrant obtaining the opinion of electors on that question, the governor in council may, by proclamation, direct that the opinion of electors be obtained on that question by putting the question to the electors of Canada or of one or more provinces specified in the proclamation . . .

Why dodge the issue? Why indeed? The constitutional question which we will need to answer in the next few years is

the following: Are we going to live in a federal system, as one country coast to coast, or are we going to let this territorial, federal and political entity be split up? That is the question. That is the question which the hon. member for Westmount (Mr. Johnston) put a moment ago. So let us have a bill which would allow this question to be put to the Canadian people across the country. But let us not come into the House with this multiple choice thing which the government is offering in the form of Bill C-9.

[*English*]

Bearing these particular considerations in mind, we have to examine what sort of constitutional questions are raised or could be raised by a referendum under the terms of this bill. I bet there are many people over there who have never read the bill, and I think it is worth citing clause 2 of the bill, which reads as follows. It defines the Constitution of Canada on which questions could be posed in the following terms:

—(a) the customs, conventions and enactments that comprise the Constitution of Canada,—

It is worded in an elliptical sort of way because it defines it in its own terms. Customs, conventions and enactments are worth remembering. Also:

—(b) the political and judicial institutions and processes of Canada,—

are defined in this clause. In other words, a referendum could be taken on any of these matters if any of them or several of them should be "of sufficient importance" in the eyes of the government to warrant consultation.

We are bound to ask ourselves a few questions, such as what is meant by customs. I am not talking about the customs tariff, or anything like that, but rather about customs under the constitution. Is majority rule meant by that? Is it federal-provincial meetings? They are customs, not law. But what about conventions? What conventions might be submitted to a referendum? Would there be a referendum on how to amend the federal constitution? That is still being worked out and there is barely a convention in sight, although there was one once. Would there be a referendum on how to appoint a cabinet? Would there be one on how to select senators and judges? Those are conventions. As to enactments, even enactments can be submitted to a referendum. Would the various acts creating the provinces be submitted to a referendum? What about the Supreme Court Act and the Canadian Bill of Rights?

● (1420)

Then we come to the second portion, political institutions. What political institutions does the government propose to submit to a referendum? Would it be the general election or freedom of the press? What about judicial institutions such as courts of law? What about judicial processes? What does the government have in mind? Does it have in mind trial by jury or the right of an accused to be represented by legal counsel? Is that what the government is trying to do, submit these to referenda?

That is what it is trying to do in this bill. The bill has a shotgun approach. While it is true that none of these questions can be put to a referendum before being debated in the form of a resolution in this House, with limited debate of 40 hours, governments with majorities such as the present one have been known before now, and within my recollection of only six years in the House, to force through legislation or a resolution in the face of widespread political opposition in parliament and across the country. Does Your Honour remember capital punishment?

Bill C-9 is being touted as the Liberal government's response to the Quebec referendum proposal. If such should be the case, let the Prime Minister and the government be honest and say so. Why has Bill C-9 been cast in such general terms? Why is it not aimed specifically at the potential threat of separation which Mr. Lévesque and the Péquiste movement in the province of Quebec are doing their best to cultivate in that province to the detriment of my country? Why does it not say what it means to say? From my reading of Bill C-9, it seems to have adopted the shotgun approach rather than the single shot approach to a very worrisome question. I do not deny that it is a worrisome question. At this stage in its mandate, I am wondering whether the government has a licence to carry any kind of firearm, whether it be a shotgun or a rifle. Let the government go to the country. Let the issue be specific and go to the country. Therefore, I am wondering whether Bill C-9 is nothing but an exercise possibly in blackmail.

According to the hon. member for Westmount, it is a pure exercise, and the results of it will never be used; we can ignore the results. We are not here to exercise our virtuosity in debating useless bills which will not be used. We are here for a specific purpose, that of setting conditions which will permit the country to develop to its full potential. Yet this sort of nonsense comes before us. It is proposed in the name of one minister when the other minister, in whose name it ought to be, was not in the House to talk to it. He was not in the House when it was introduced, but I am glad to see him present now.

When anything is said concerning federal-provincial relations, who carries the can? It is not the Minister of State for Federal-Provincial Relations (Mr. Reid). Who presided over the discussions in Vancouver? It was not the Minister of State for Federal-Provincial Relations. It was the Minister of Justice (Mr. Lalonde), and he is a sham. The entire matter is a sham.

Mr. Reid: Mr. Speaker, I should correct the hon. member for Esquimalt-Saanich (Mr. Munro) because I know he would not want knowingly to make a mistake. There was no one chairman of this meeting in Vancouver. It was co-chaired by the Minister of Justice of Canada and the attorney general of Saskatchewan.

Also I may add that when the hon. Minister of Transport (Mr. Lang) was the minister of justice of Canada, he was a co-chairman. The rules set out by the premiers provided that the co-chairmanship would be the Minister of Justice of Canada and the attorney general of Saskatchewan.

Mr. Munro (Esquimalt-Saanich): I am glad the record has been put straight. We realize where the sham lies. Apparently the Minister of State for Federal-Provincial Relations had no part to play in the meeting in Vancouver, any more than he has here. However, I hope he and the Minister of Justice will

be given opportunities by the government House leader to take part in the debate. I hope they will have something to say when they participate. Perhaps the Minister of Justice is drawing up the list.

I must ask myself whether this is a purely cosmetic exercise, a gesture aimed at keeping attention focused on one part of Canada's problems, for example, by saying to Mr. Lévesque, "If you try anything with your referendum, we will do you one better". I remember singing a great song which has a wonderful tune: "Anything You Can Do, I Can Do Better". This particular bill does not do anything better; it does it a great deal worse.

Are these big stick politics likely to be effective? Have we not had enough confrontation? Has nothing been learned by the government arising from the Kingston meeting held by my leader? At that meeting co-operation and consultation were the spirit of the day, not confrontation. Must we put up with this any longer? Is confrontation the correct approach to constituent governments in a federal system? That is a basic question. Once again attention is focused on one particular question. In any event, it is time to look at something somewhat broader than the Quebec issue. That was all the hon. member for Westmount could talk about, but there are other issues in Canada which are vitally important.

Quebec is not alone in seeking a redefinition of the terms and conditions of its association with its fellow provinces and with Canada as a whole. Unlike the other provinces, Quebec has thrown in another word, "sovereignty". The sovereignty notion was put there by Quebec alone. The rest of Canada rejects sovereignty. Canada is one country. It is my country, and I will see that it stays one country.

Dealing with "association", the second part of that double-barrelled operation we hear so much about, it is a different matter. Every province in the country wants to have a look at the terms of association with its fellow provinces, the federal government and the federal authority. That is fair enough, and that is what constitutional reform is all about. How many hon. members have looked at the word "constitution"? It is a simple word. It merely means how our country is constituted. It is not very well constituted now, partly because of the confrontational tactics of the Prime Minister and the policies and failures of the government. The constitution of the country deserves re-examination, but it will not be done through a referendum on broad terms like this one. I hope the government is really serious and is not just bringing this bill forward as part of its electoral campaign, which I suspect is the only reason.

This morning we heard about other bills which the government has in mind, such as the Electricity Inspection Act, Bill C-13. Boy, that will be a dinger! At no time did I hear the government House leader say Bill C-9 would be on the floor of this House until it goes to committee. I was wondering, as a matter of fact, whether the government House leader was going to come into the House after lunch and say we will go to the electricity bill this afternoon. We do not even know that on Monday or Tuesday it is going to be seen.

[Mr. Munro (Esquimalt-Saanich).]

• (1430)

An hon. Member: It will be called Monday.

Mr. Munro (Esquimalt-Saanich): It will be called Monday? They are going to impose closure on Monday, I guess.

An hon. Member: Oh, come on; get serious.

Mr. Munro (Esquimalt-Saanich): I am deadly serious. I have never been more serious in my life. My country is at stake and this bill is not going to save it. This bill could destroy it. It goes over the heads of the constituent members of this House. What a ridiculous suggestion, that I should get serious. I do not like that kind of talk from any side of the House, and I like it even less from people who cannot stand up on their own feet and get away from that man who has led this country into the morass. When are those lemmings over there going to get away from that man who has led them to the cliff? Is there not a man over there who will stand up and be counted?

An hon. Member: Now get serious.

Mr. Munro (Esquimalt-Saanich): Read the bill. I am serious; you are darned right I am serious. I have spoken about what this government has done to your country and mine. It is your country just as it is mine, so stand up and be counted.

An hon. Member: Say something original.

Mr. Munro (Esquimalt-Saanich): Boy, you did not do very well the other day with originality, did you? I know what it was in the past to proudly represent Canada abroad in the diplomatic service. Now I see that service torn apart, completely and utterly demoralized.

An hon. Member: Rubbish.

Mr. Munro (Esquimalt-Saanich): It is true, unfortunately.

An hon. Member: What does this have to do with the bill?

Mr. Munro (Esquimalt-Saanich): It has a great deal to do with it. This government has brought my country, its public service and its diplomatic service into disrepute.

An hon. Member: It is the best diplomatic service in the world.

Mr. Munro (Esquimalt-Saanich): It was. How can they sit placidly by and allow a government with such a disastrous record as this one seek powers under this legislation that could spell the end of the country, a country which 11 short years ago on its one-hundredth birthday—

An hon. Member: Don't yell.

Mr. Munro (Esquimalt-Saanich): I do not think you have anything to tell me about how to represent Canada or how to be proud of my country. No one over there would dare do that. Eleven short years ago we stood proudly outside this building on this country's 100th birthday facing the world with confidence and hope. Look what has happened. I despair sometimes

in attempting to reach my colleagues across the floor. Are they blind? Are they charismatized? That may be the right word. I reckon it is. They are charismatized; they are bedazzled. Have they no way of looking into the future in light of what has happened to us in the past? These are troubled times, they are worrisome times, and I do not like anybody over there asking me to be serious. I am deadly serious.

This bill is not needed in this form at this time or at any time. It is a dangerous bill. Let the representatives of Canada, those who were elected to speak for Canada and the Canadian people, stand up in this House and be counted, demanding explanations from this government as to why such sweeping powers are even being sought. If a specific issue is of concern, as we have been told, then let the referendum legislation be cast in terms of specific issues. Then we will look at it.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, Bill C-9 respecting referendums in Canada is designed to set up the necessary procedures for holding a vote on any controversial constitutional matter. Let us not delude ourselves: this bill is meant strictly to deal with the province of Quebec. For a long time now, at least Social Credit members have been calling for referendums, not necessarily on constitutional matters but on other matters which, to our mind, are every bit as important. We repeatedly called for a referendum, for instance, on capital punishment, but the government refused; it has never been willing to consult the Canadian people as a whole on such an important matter. Still, doubtless pressed by events, probably those of November, 1976, in Quebec, the government has grown alarmed and has decided to have a referendum policy; it has chosen to introduce a bill designed to thwart, if possible, the aims of the separatist government, or that claims to be separatist, in the province of Quebec.

It was especially after the election of November 15, 1976, that we heard a great many public figures make numerous speeches, statements and take a stand on national unity. However, instead of creating more national unity those same people, through most of their speeches and often their actions, managed to provoke even greater national discord because, Mr. Speaker, we are witnessing ever-growing misunderstanding between some Canadian provinces, or at least between one and the rest of the country, between one of the founding nations and the other; it seems that instead of looking for means to placate opposing views, an effort is being made to stoke the fire and stir up even greater dissension. Now, Mr. Speaker, impassioned statements or stay put speeches will never lead to the agreement and the harmony we wish for Canada.

● (1440)

There has been a great deal of talk about national unity. As far as I am concerned, national unity is a myth. When they talk about unity, they mean uniformity, a single option, a common voice. To my mind, we should stress, rather, national harmony. To that end, some representatives of various nationalities and religions could be made to work together towards the self-fulfilment of every Canadian citizen. This might seem like quibbling, Mr. Speaker, but such is not the case, since harmony means much more than unity. For example, a musical group consists of 20, 25 or 30 musicians playing together and producing pleasant and harmonious melodies. But it is clearly impossible to get the same sound out of them. So, in a country like Canada which is no longer made up of only two founding races but of many other ethnic groups which have even improved the very spirit of our country, Canada, I think we must try to live in harmony rather than attempt to achieve a kind of unity designed to cast everyone in the same mould.

Mr. Speaker, according to the drafters of this bill which would allow Canadians to take a personal part in the shaping of a renewed Canada, this is not the only answer, there are many others. But to have the Canadian people speak up, well, we do not know exactly what the government will do once Bill C-9 is passed. There is absolutely no doubt in my mind that it will be, since the government has a majority. Even if all opposition parties opposed it, the bill would eventually be passed, but it is not the only way to allow Canadians to participate in the preparation or the drafting of a new constitution. Some meetings can be held at the government level; in fact, some are held at least once a year. There will be one in a few days. Now, Mr. Speaker, the first ministers who will meet in Ottawa at the beginning of next month are delegated by the population of their province precisely to negotiate, to discuss and reach a consensus on what the Canadian constitution should contain, the constitution that will replace the British North America Act under which Canada was administered since its foundation.

This measure stems mostly from the government's wish to get some working mechanism or means of propaganda, rather, similar to that used by the Quebec government in the present controversy over the country's future. According to rumours and to statements from the present Quebec government, it will benefit from a powerful propaganda machine to sell its position on the future of the province.

The purpose of Bill C-9 is precisely to give the federal government means of propaganda similar to those the province of Quebec has, probably to counterbalance that great debate which will be taking place when? We do not know exactly yet. The date of the referendum in the province of Quebec has not yet been set. We are told that it will be in 1979. If the federal election is called early this year, in early spring, we will probably have that referendum in the fall. We saw, particularly last year, that there was a fight going on between Quebec Premier Lévesque and the Prime Minister (Mr. Trudeau) as to who would hold the federal election or the referendum first. It seems that the Prime Minister is losing the battle because his

margin of manoeuvre is much more limited than that of the premier of the province of Quebec.

So, Mr. Speaker, despite that more or less legitimate objective the government hoped to incorporate four basic principles in drafting the bill. They wanted above all to impose financial controls to ensure a fair and open debate. Furthermore, the bill was to give the referendum process the same level of integrity as the election process. Third, it was intended to respect the federal nature of Canada without giving the federal parties or groups any advantage over their provincial counterparts. Finally, procedures should be as simple and as clear as possible. And in the course of my remarks, Mr. Speaker, I will try to determine to what extent the government has managed to incorporate those objectives in the wording of Bill C-9 respecting public referendums in Canada on questions relating to the Constitution of Canada.

The government limits the scope of referendums only to constitutional matters. It proposes a major legislation paper in which a large number of procedures are discussed in detail. For example, the limits on referendum expenses, the eligibility to vote in the referendum, the air time given opposing groups and federal and provincial parties—in short, the government is about to set up sophisticated structures relating to the referendum. Unfortunately the government restricts the areas where that new legislation will apply. Yet that consultative process of the people could put an end once and for all to several other debates of national importance including, for example, the question of the death penalty that I mentioned earlier.

The result of the referendum would not in any way oblige the government to respect the opinion expressed by the public. That is clearly spelled out in Bill C-9. Mr. Speaker, what would happen if the answer to the referendum of the government of Quebec were to be positive and the one to the federal referendum in that province and on the same issue were to be negative? None of the speeches we have heard so far from members of the government referred to that possibility. What would the federal government decide then? Which referendum would prevail over the other, the provincial one or the federal one? Who would decide on that? The Supreme Court? If it is to be so, I think we already know what the answer would be. Mr. Speaker, these are questions we have a right to ask because it is obvious that we are heading toward two referenda. The Quebec government will hold a referendum. The federal government will also hold one on the same subject, and probably in the same province, since I believe that it is up to the province of Quebec to determine its own future within confederation. It is not up to the people of British Columbia or Newfoundland to decide whether Quebec should leave confederation or not. I believe that should be left to the people of Quebec. And if the people of the rest of Canada insist that Quebec remain in the Canadian confederation, I believe that it is not by making speeches, but rather by taking concrete action that they will convince Quebeckers to remain in Canada.

[Mr. Laprise.]

• (1450)

My colleague, the hon. member for Bellechasse (Mr. Lambert), has stated this very clearly yesterday when he commented on the Pepin-Robarts report on the Canadian constitution. He warned the government. He told the right hon. Prime Minister (Mr. Trudeau) what should be done to make Quebec or any other province of Canada wish to remain within the Canadian confederation.

Mr. Speaker, I repeat that under Bill C-9, the results of the referendum would in no way force the government to act according to the views of the public. The referendum remains an opinion poll. The government could arbitrarily choose to be bound or not by its results. This means that the government could continue to apply the policy established before the referendum. It also means that if the government had decided before the referendum to take any step necessary to prevent Quebec from leaving confederation and if the people of Quebec voted for separation from the rest of Canada, the federal government could decide to take other action, to use force or to call in the armed forces, for instance. Even if the results of the federal referendum were negative, the government would not feel bound by this decision and could take the action it had decided on before the referendum. And this in spite of the views expressed. We can therefore have serious doubts as to the legitimacy of a purely advisory referendum.

The question asked in the referendum must call for an answer expressed as a "yes" or a "no" as this will simplify the summing up of the votes and reduce confusion among voters. Subclause 3(3)(b) provides for the possibility of asking a question presenting several choices. On that point, Mr. Speaker, I think we should agree that in the event of a referendum the questions must be worded clearly to allow for an answer by "yes" or "no" which indicates clearly to the government the decision which the voters have arrived at in taking part in the referendum. The residents in the province of Quebec are now left wondering. They have yet to know what will be the question in the referendum or how it will be worded. Will it be a brief, clear and plain question or merely a question asking for authorization to negotiate sovereignty association?

Mr. Speaker, an answer at this moment to such a question would be very embarrassing because it would look very much for instance like a vote requested by labour unions before negotiating collective agreements. A union usually asks for a vote of confidence. It asks for the support of its membership. It requests the right to call a strike in order to be in a strong bargaining position before management. Having obtained the right to call a strike, the union then comes up with so many demands that management has to turn them down and it is then that the union will start a strike.

So if the question on the Quebec referendum is put this way, after having obtained an affirmative answer, namely a mandate to negotiate with the rest of the provinces or the rest of Canada, the government of Quebec will then present so many

conditions that the rest of Canada or the provinces will have to say no. It will then be very simple, the separation of Quebec will have become a fact. There lies then the danger of having one or several controversial issues in the context of a referendum.

A multiple-choice question offering different alternatives should be put to the people, something the ballot paper must be very clear about. These alternatives ought to allow each elector to vote for or against one of the choices. In all likelihood this would certainly complicate the language of the question. If it were chosen at the time of a referendum, it could undoubtedly extend the debate in the House beyond the 40-hour limit. The referendum question must be approved by the House at the end of a debate not exceeding 40 hours.

Well, Mr. Speaker, I feel that such an important question dealing with the constitution and whether a province should remain within the Canadian confederation requires a very serious debate, and I wonder if a 40-hour debate is adequate to allow all political parties to clearly and fully express their points of view and submit their arguments.

On a number of occasions the opposition parties were accused of filibustering when they tried to extend the duration of certain debates. Well, Mr. Speaker, these efforts may very often have served to provide the public with an opportunity to react and convey to their elected representatives their opinions on the subject under review. When the debate is too short, the public is deprived of this opportunity.

According to Bill C-9, referenda may be held in a province, in a number of provinces, or in Canada as a whole. The government itself will decide the limits of each referendum. I feel that this is dangerous, and we are aware of the risks which people have run in the past with a subject like this.

● (1500)

One should only remember what happened on the occasion of the plebiscite in 1942. We all recall that during that period the province of Quebec in particular was squarely against conscription for military service overseas. People in Quebec were all the more opposed because the government of the day had promised time and time again that as long as it was in power it would not let Canadian sons shed their blood outside the country.

Remember that during the war of 1914-1918 the Conservatives had endorsed conscription and had been booed by the Liberals at that time. In 1939, however, it was the other way around while the Liberals were ruling the province. In 1935, Mackenzie King and his ministers, especially his ministers, all strong men of Quebec, won the election after campaigning against the involvement of Canada in a foreign war. We know how quickly the Liberal government was to declare war on Germany later in 1939. It even did so before Britain. One will remember how the then Liberal government wanted to participate in the war but it had its hands tied up. So Mackenzie King considered holding a referendum in 1942 to release himself from his promises. But the plebiscite was held nationwide, in the nine provinces of Canada. Naturally, eight provinces voted for releasing Mackenzie King from his promises while the province of Quebec voted to hold him to them. So obviously the plebiscite was won by Canada as a whole.

In a referendum on the constitution or on whether Quebec should separate from the rest of the country, if all Canadians are asked to decide such a matter, it is obvious the nine provinces other than Quebec will undoubtedly vote to have Quebec stay. So it seems to me it is useless to spend money to hold a referendum. We already know the answer. The experience of 1942 should make us careful. This particular aspect of the bill will have to be fully debated since it could be used covertly to manipulate public opinion in such a way as to obtain a vote approving the government using the referendum. The legislation should clearly state in what instances every Canadian province and region would be called upon to participate in the discussion and the vote.

The right to vote and the registration procedure would be the same as in a federal election. Several clauses of the referendum bill are closely patterned after the Canada Elections Act while in some respects they are more specific. Mr. Speaker, that part of Bill C-9 is perhaps the most judicious. The expenses for a referendum and the contributions by an individual, a group or a political party must not exceed $5,000. Only registered political parties and referendum committees can make contributions and referendum expenses in excess of $5,000 during the campaign. That part of the bill is unfair to small political parties and minor referendum groups. We should take this into consideration.

Through this exemption, this government accepts to depart temporarily from the principles announced at the outset which are freedom of speech and right of association. It appears clearly that the groups which will have access to unlimited funds for their campaign will be able to publicize their views more efficiently than those with a more limited budget. It is the same situation in a general election. Throughout the political history of Canada we have seen that the political party with the biggest financial support was always the winner. So the situation would be the same in a referendum.

Bill C-9 also deals with broadcasters who shall put broadcasting time at the disposal of registered participants as they do during an election. Half of broadcasting time would be allocated to federal parties on a national scale while the other half would go to provincial parties in every province. This part of the bill might be prejudicial to the democratic process of informing the voters in two ways: first by restricting the broadcasting of a specific opinion, for instance that of the Parti Québécois, to the province of Quebec and, second, in the case of a debate in which provinces would express partial opinions, the federal government would publicize its views throughout Canada while provincial views would get only

partial regional coverage. In both cases, the federal government would be highly advantaged in the debate. In that game, Mr. Speaker, the federal government would take the lion's share.

Mr. Speaker, in drafting Bill C-9 it is obvious that the federal government has made sure it will be dealt all the winning cards to obtain the answer it wishes to get. Mr. Speaker, when a question is that important I think that the people of the province of Quebec should be free to give the answer they want to give, to answer freely after due consideration of the consequences of their decision for the future of the province of Quebec and the rest of Canada. It is in that spirit, Mr. Speaker, that Quebeckers should decide because if a decision is imposed on them we will never reach our objective of national harmony.

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of Justice): Mr. Speaker, on December 11 last, on the first day devoted to the study of Bill C-9, the leader of the NDP (Mr. Broadbent), in a brilliant speech, referred to the opposition of the Progressive Conservatives to this legislation, saying it was absurd and an abdication of their responsibilities towards Canadians.

Since then, Mr. Speaker, we have heard two other speakers: first, the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) who, doubtless inspired by the hon. member for Kingston and The Islands (Miss MacDonald), served up more or less the same arguments, haphazardly and pell-mell in a mish-mash that does not even deserve to be dwelt on any longer since I shall soon be discussing the arguments of the hon. member for Kingston and The Islands, official spokesman of the party.

• (1510)

It is however the third speaker on the side of the official opposition I would briefly refer to, because I wonder in particular what meaning some people are giving to the concept of parliament discussing our great national issues. The hon. member for Esquimalt-Saanich (Mr. Munro), in an effort no doubt to emulate Jeremiah, heartedly exposed us Liberal sinners. I assume he also includes members from the New Democratic Party because they in their wisdom support the government proposal now before us. The hon. member for Esquimalt-Saanich came to the House with his Pandora's box from which he exhibited in succession Saint John's apocalypse, the misfortunes of the Jews in Israel, the most unbelievable horror stories and half quotes. In his highly emotional conclusion somewhat devoid of substance, I thought I noticed a trace of temper, to put it midly, that in my view was not up to the normally elevated spirit of our proceedings here.

Let them address to possible shortcomings in the bill, I'm all for that. Any legislation is always perfectible. This one is no exception, as we have no hesitation in recognizing. Indeed our institutions call for multiple readings. There is the consideration in principle, then second reading at which stage we are now. But there are also other steps in which a bill can be taken apart and expurged of ambiguities or possible problems, which is perfectly normal and healthy. We have the committee stage for that purpose. It has been suggested for instance that a 40-hour debate is not enough. Well, this can be discussed. Maybe it could be 50 hours, maybe something else. This is no reflection on the principle beneath the bill.

It has been suggested that the ambit of the bill is too wide. Well, this can be discussed in committee to see how it could be narrowed, if we were to take that view. I have no difficulty in envisaging this, and I am perfectly willing that this be discussed. But it is quite another thing to look for intentions, to suggest as did the hon. member for Esquimalt-Saanich—not only that this will not solve the Canadian problem, on which he is absolutely right and I do not believe the Minister of Justice (Mr. Lalonde) in any way suggested this legislation would solve the Canadian problem, but that the enactment of the bill would bring about the falling apart of Canada. I believe this unjustified projection is going too far.

The hon. member in my view has a long record of service to this country. There is no doubt about that. He served in the Canadian Forces, and he also served in the external service. But then again I did not quite understand the references to sagging morale in our external service. This remains to be proven. As the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Duclos) stated earlier, our external service is among the best in the world and recognized as such. So much for that. Despite his record, the hon. member feels endangered as an individual by this legislation. I wonder why? This piece of legislation clearly flows from the Canadian government's constitutional authority. Some said the opposite but without providing the least shred of evidence, without undertaking any demonstration of the fact, on the contrary.

Since the Canadian government has the right to introduce such legislation, it can do so one way or an other. The minister and the government decided to draft what is commonly referred to—this expression is unknown in the House or perhaps it has not even been used here in the past—as a general law. That was because the other solution open to us, namely a bill which would deal directly with the issue of the referendum announced by the government of Quebec, was perhaps more difficult to choose at this time. Indeed the form in which this referendum will take place is already known in its broad outlines, because Quebec has also passed such a general law, but its content is still a matter for speculation. I therefore see nothing wrong in the fact that the government wants to provide itself with an instrument with which in due time it will be able to present to the Canadian people or even a part of it, namely a province, a question which will be the subject of a 40-hour debate in the House of Commons, as well as a 40-hour debate in the other place. For those who may not be fully knowledgeable about parliamentary procedure, 40 hours is a lot of time. This represents several days of debate

without the possibility for the government to use closure. Some have said that rather than set the duration of their debate to 40 hours, why not then use the means provided in the present standing orders and thus follow the democratic process as we already know it. It is precisely because if we let the democratic process function as it presently does, these guarantees requested by certain members are not as broad as those contained in this bill because hypothetically one can imagine that in the midst of a debating day at three or four in the afternoon, the government could decide to impose a fixed schedule.

It could well for instance say that we still have two more days to debate the issue and then it will be referred to the Senate for the matter to be expedited. On the contrary, 40 hours in the House of Commons, Mr. Speaker, without the possibility for the government to curtail these proceedings, to limit the right of private members to intervene, this seems to me quite reasonable. Well, we will have an opportunity to talk about it again. Finally, after the opposition have presented its arguments, provided they are more constructive, we may then decide that this delay must be extended. That is quite possible. It will be up to the parliamentary committee to make a decision about it.

Mr. Speaker, this bill does not provide that the question will have force of law once it has been answered by the population in a referendum. Not at all. We are dealing here with a consultative referendum. How does a consultative referendum differ, a mechanism already used in other jurisdictions with the same parliamentary system and the same traditions as ours, whether it be Britain and most of all Australia? I might be told that Britain has used the referendum process in very specific terms through a legislation which was dealing specifically with joining the common market. All right, I agree. But Australia, Mr. Speaker, does have general legislation on referenda which allows her to hold popular votes on constitutional matters. Well, how curious! And it works. It even works rather well and the provinces, the constituent elements of the Australian federation, have never been heard complaining about how those popular votes were working. On the contrary, it is the federal government itself which is complaining, despite the fact that their legislation is more extensive than ours, that the constraints imposed by public opinion and consultation are such that the federal government has its hands tied with those proposed changes to the Australian constitution. What is the idea of trying to make us believe that Bill C-9 will radically change the parliamentary process and corrupt our institutions?

● (1520)

Let us be serious, Mr. Speaker. Once again, if certain provisions of the legislation can cause confusion, we could discuss them in committee. But what is there about the principle of this bill which prevents the Progressive Conservative opposition from supporting it? There is something rather strange in this regard. We talk about consultation. I recall very well that last March, the Prime Minister (Mr. Trudeau) sent a six-page letter containing his general proposals for popular consultations to the Progressive Conservative, New Democrat and Social Credit leaders. Did the Leader of the Opposition (Mr. Clark) show his disapproval at that time? Indeed not. The Leader of the Opposition is obviously too busy demolishing and criticizing everything indiscriminately to give a specific answer on these political issues. Indeed, since then, he has started to make certain suggestions, with the result that we have seen, especially since his return from a great voyage around the world in 80 blunders, as it was called in the headlines of some newspapers.

Having said this, Mr. Speaker, when the bill was first introduced during the last session, did we hear opposition spokesmen make any great statements about the government's plot to destroy our Canadian institutions? No, Mr. Speaker, not at all! And once again, when the bill was introduced last October, was there any disagreement on the other side of the House? I listened to the speeches and I did not hear any. It is only after the bill was first introduced in the House that the opposition discovered their sacred mission to prevent the Prime Minister of Canada from overthrowing the government. What nonsense! Mr. Speaker, the hon. member for Esquimalt-Saanich was shocked when the hon. member for Westmount (Mr. Johnston) said: "We have been given a tool in the hope that we shall not use it". He made a terrible scene. However, Mr. Speaker, I repeat that I hope we will not have to use this bill in answer to a referendum in Quebec, and I repeat once more, Mr. Speaker, that those who will not face the facts understand nothing about the situation.

Why should we give it that tool? Mr. Speaker, as I said in the House two years ago, I am one of those who believe that referenda are dangerous if used inconsiderately. I continue to believe that in the first place our parliamentary system was not structured to provide for systematic public consultation, and on the other hand people are not familiar with this kind of consultation, as for example in the Swiss federation. So it is a system which should be used purposely and with great care. I am the first one to recognize it.

Any legally elected government has some constitutive elements of the Canadian federation. A government of an important province in the Canadian federation has dedicated itself to the separation of Quebec and that is in its program, but with that in mind it has promised to hold a referendum to consult Quebec residents. That legislation is now in the books of the National Assembly. The premier of that province has said repeteadly that he will hold one. Perhaps it should already have taken place since they promised in 1976 that it would be held within two years, but as I do not want to be partisan I will say that it will probably take place within a short period. And that is where, Mr. Speaker, as Quebeckers and as Canadians, we will have to face a very serious problem. If only the political philosophy of the Parti Québécois—a philosophy which like any other political philosophy keeps changing with

time—were perfectly clear, Quebeckers would not hesitate to answer a clear question.

Then you could say that there is no need for us as Government of Canada to ensure that consultation of the people is carried out properly, for if the question is clear, so would the answer be in the case of a "yes" or a "no". I do not want to enter into the debate of whether after winning the referendum, assuming that it did one day, the government of Quebec can or cannot carry out separation. Some, after examining the books and for purely legal considerations, say "no", they do not have the right while other eminent constitutional experts say "yes", they have the right.

In any case, let us be realistic about the facts, Mr. Speaker. If there was a clearly expressed opinion by the people of Quebec saying "We no longer want to be part of the Confederation of Canada," there would not be much we could do about it. There is absolutely no question about it, and I am among those who believe that the people of Quebec have progressed enough, have enough self-confidence, are aware enough of their responsibilities and duties to make a wise choice, and I will fully respect that choice, Mr. Speaker.

But having said that, the government is a government. I have no intention here, and God forbid that I should, of putting the government of Quebec on trial. But a government is a government, and like any government, the government of Quebec wants to win, and that is perfectly normal. The Progressive Conservatives are a political party and they want to win. The New Democrats and other parties want to win. We are a political party, we want to win. The Parti Québécois is a political party and a government which wants to win, and that is normal, that is in the logic of things.

Supposing that the Parti Québécois wants to win and holds a referendum, as the Gallup polls show—a poll is a poll; you cannot make more out of it than what it is—but we are making assumptions and let us hope that the majority of Quebeckers will not be in favour of the so-called separatist option, if there is such an option at this time, because they are not sure—either sovereignty or sovereignty association. There is then an obvious dichotomy between the interests of a government which has to win, they want to win, and a population which is not ready to support an option. This dichotomy leads to the conclusion, namely, that the question, if they must win, if they want to win, must be as nebulous as possible. They cannot ask the question: Are you for Quebec sovereignty? Only one question, like that, because they might very well lose. They cannot ask the question: Are you for the independence of Quebec, with eventually an association? No, they would also lose. These questions are clear, the answer would also be clear.

However, these same polls show that there is in Quebec as in other areas of the country a well-asserted desire to renew the Canadian federation, to give back some authority to the constituent elements, to reform the institutional structures.

Mr. Speaker, this is an easy way out. It will eventually allow them to ask a question if they wish and here again, I do not want to be unfair to the present Quebec government, to phrase their question in such a way that they would get a majority of "yeas". But would those answers be really a victory? Of course, they would see it that way but their opponents would not, they would object that the question was so vague as to make the answer quite worthless, and claim they have no terms of reference to proceed with the separation but only a hypothetical mandate to renegotiate, God knows what. And the Quebec government would say to that: "We have won our referendum!" And they would come here to Ottawa and say: "I want this and that, give it to me I have received a mandate from my people."

What are we doing here as Canadian goverment and as members of parliament? Do we take for granted that the support given to the secessionists is a "carte-blanche" allowing them to go as far as they please?

An hon. Member: You can still negotiate!

Mr. Lachance: Oh yes, you can always negotiate and the leader of the Progressive Conservative is good at that. This is no problem for him. He has no authority to do so but he still does.

Our attitude is quite different Mr. Speaker. We fell that the Quebec people ought to decide their own future freely. Once they have decided, we will take our responsibilities. The leader of the Opposition (Mr. Clark) contends that sovereignty association is just one and same thing. Sovereignty is not bad; it is the association which is important. It is not independance they want, but sovereignty-association, a revamping of the Canadian federal system. Mere presumptions, Mr. Speaker! Nobody knows the actual content of this sovereignty-association. The separatists have never defined it. This may be a new kind of federalism, or a confederalism like some Parti Québécois experts have said? But two Péquiste members are now talking about a system whereby, although they suggest there would no longer be any Federal or Confederal Chamber, there would be an association freely agreed to, similar to the European Community arrangement or to the Northern Countries Council set-up, which would allow us to continue just like before, whithout any further problems or difficulties. But those are mere the oricians! And again, this is not part of the proposed program of the Parti Québécois. Even if that were the case, it would mean a radical move from what is now facing us. Is that really what we want, Mr. Speaker? Is that really what Quebeckers want? It will be up to them to decide. But let them decide. Let us not anticipate on that decision even before the question is put. It is unbelievable.

At all events, it is nevertheless natural and sound, and a minimum of caution requires that the Government of Canada provide itself with the appropriate tool to clarify if necessary a situation which could become so blurred that nobody would

make it out. But what is wrong with that? What is unusual in that situation? We are told that the scope of the bill is too broad, that it deals with all constitutional matters. but if this bill referred directly to the question of Quebec and the Parti Québécois, the members of the opposition would say: You single out a particular problem within a province without knowing what is going to happen in that province; you make projections about future events. So, if we did otherwise, they would tell us to do the opposite. And since we do the opposite of what they suggest they accuse us of doing the opposite. Just try and make something out of that!

The NDP has understood what we want to do with this bill. We do not want to destroy our democratic institutions. It was never intended. Anyway, I can assure the House that if any government, this one or any other, took it upon itself to misuse this bill and tried to exert undue influence on the Canadian people in defiance of the House of Commons, there would be such a public outcry that such a government could not function and would be rejected.

Have the Progressive Conservatives so little confidence in the Canadian democracy that they see a threat to our institutions in this legislation which provides the government with a tool to find out what the people think? I have more confidence than that in the people of Canada. I have too much confidence in our parliamentary institutions to suggest that such a piece of legislation will undermine their very foundations. It is unthinkable that one could make such a mountain out of a molehill, and I really mean it. The New Democrats, who do not always share our views and very often criticize and flatten us with all kinds of arguments, but it is all quite fair, have understood the real problem at issue here. But the Progressive Conservatives are so concerned with base electoral considerations that they are blind. Well, Mr. Speaker, we shall proceed with this bill and we will make sure that the question that will be put, either in Quebec or in another context, will be in the best interest of the Canadian people as a whole as well as of Quebeckers.

● (1530)

Mr. Lorne Nystrom (Yorkton-Melville): Merci, M. l'Orateur.

[*English*]

I wish to say a few words on the bill before us today, Bill C-9 dealing with referenda. I want to begin by saying that the speech made by the hon. member for Oshawa-Whitby (Mr. Broadbent), the leader of this party, was "right on" when he gave the position of his party with regard to the bill before the House today. He made it very clear in the debate that we supported the bill before us. He made it clear that we are supporting it because the bill concerns the referendum on the constitutional matter only, and he made it also very clear that we believe the federal parliament needs the power to conduct a referendum in the province of Quebec if indeed the question posed by the Parti Québécois is not clear. It seems to me that we would be very remiss indeed if we did not give this institution the power to conduct such a referendum if the referendum question in the province of Quebec is not clear.

Some hon. Members: Hear, hear!

Mr. Nystrom: It seems to me that the Conservative party members are very mixed up and rather inconsistent.

I go back to the speech made in the House by the hon. member for Kingston and the Islands (Miss MacDonald). She spoke about the Parti Québécois and said:

It is already quite clear that the Péquistes are loading the dice as well as stacking the decks.

If they are loading the dice and stacking the decks, then I do not see why we should want to deny the House the right to have proper legislation allowing it to conduct a referendum if we think the referendum question in Quebec is not very clear. If the referendum question is clear, that is another matter, but what happens if the Parti Québécois, when the referendum in Quebec is held in October or November, asks for the power to negotiate sovereignty association and wins? What do we do then as the federal parliament? I ask that question very seriously. I think we should have the power and the right to put a very clear question to the people of Quebec: Are they in favour of becoming independent? The Conservative party may say "nonsense" to that, but I ask them: Who speaks for Canada? I think we all do. We are all a part of this country.

Some hon. Members: Hear, hear!

Mr. Nystrom: I do not say this with any particular slant against the Parti Québécois; I recognize they are well meaning, intelligent, capable people. That is one of the reasons why I think they might do very well in the referendum that will probably be conducted next fall. They are brillant politicians, brillant communicators. The hon. member for Kingston and the Islands says they are stacking the decks and loading the dice. They are doing all these things, yet she would have parliament deny us Canadians in general the right to ask Quebec a clearcut question. I do not think that is right. I think we, as Canadians, should have the right to do just that. We are all Canadians.

The hon. member for Westmount (Mr. Johnston) in his speech said this was a real problem where he comes from and that they are concerned about independence. Then a member from Alberta said we are all Canadians, we are concerned about that too. If we are concerned, then why not make sure that this institution has the power to conduct a referendum to clarify things? I think that is fair and straightforward. That type of legislation has been in effect in many countries in the world. In Great Britain, for example, there have been referenda conducted on constitutional matters.

Some hon. Members: No.

Mr. Nystrom: There was a referendum on Great Britain joining the Common Market. They are now talking about referenda in Wales and Scotland to determine their future.

Mr. Munro (Esquimalt-Saanich): No, those are special bills.

Mr. Nystrom: This is a special bill also, one dealing with the constitutional package. The Leader of the Conservative party (Mr. Clark) gets very mixed up. We know the reputation of the leader of that party, but still I do not think they should always be mixed up because they want to follow their leader. I noted that the hon. member for Esquimalt-Saanich (Mr. Munro) was crying and saying what would happen if the government were to introduce this legislation and hold a referendum during an election campaign.

Mr. Munro (Esquimalt-Saanich): No, a referendum on elections.

Mr. Nystrom: It is right in the bill. At page 8 of the bill we find clause 6 which reads:

(2)(a) no writs of referendum shall be issued during a general election;

Mr. Munro (Esquimalt-Saanich): I did not say that. Mr. Speaker, I rise on a point of order or a point of clarification. I did not suggest in my comments—and the record will show that—that a referendum might be conducted during an election. I said the question might be put on general elections in Canada as a principle.

Some hon. Members: Oh, oh!

Mr. Nystrom: If the hon. member does not know what the purpose of this legislation is, then I am really surprised.

We are faced with possibly the greatest crisis in this country, the fact that an important part of the country will be faced with the question about splitting away and becoming independent. The bill before us now will give the federal parliament the power to conduct a referendum in Quebec or in any other province, or indeed if there is a new constitutional package, to conduct it right across this country. That is all this bill is talking about. Some members of the Conservative party think that is funny. I would like to know where they stand.

A few months ago the leader of that party was quoted as saying that if Mr. Lévesque gets 60 per cent or over of the vote on sovereignty association, he would sit down and negotiate it with him. I understand he said it in French, but he still said it. I have seen journalists who have talked to people who were at that particular meeting. I believe it took place in Rivière-du-Loup. That is what the Leader of the Conservative party said. He did not know what Mr. Lévesque meant by sovereignty association, but by God he was ready to sit down and negotiate it. He is saying what Lévesque is saying: "Negotiate two sovereign countries."

• (1540)

Mr. Paproski: That is not what he said.

Mr. Nystrom: Yes, it is. I am glad the hon. member said that, because I was about to indicate that the Leader of the Opposition then changed his mind. I was not surprised that he changed his mind because he does so often. Now the Leader of the Opposition is saying that he really did not mean that, they will have discussions and talk. What is the difference between negotiating and talking, negotiating and having discussions?

The hon. member for Rosedale (Mr. Crombie) appeared on CTV's "Question Period". He made it very clear that we should sit down and negotiate sovereignty association, and that it would be very silly not to sit down for such a purpose. It was not until the right hon. member for Prince Albert (Mr. Diefenbaker), whom I admire very greatly, was able to get the hon. member for Rosedale in the corner and give him a spanking that he promptly went before the press and said, "Well, I really did not mean that."

Coincidentally I turned on the television and saw the hon. member for Rosedale. He said that he used four words interchangeably: negotiation, discussion, talking, and another word. In my mind they are similar words, yet the hon. member said, "Now I am not going to talk about negotiation. I will talk about talking and discussions". Apparently that is the position of the Conservative party. During the Christmas recess people were approaching me and asking how a federal party could say such a thing, and whether Conservative members were about to sit down and talk about something of which they knew nothing. I indicated that I would not be surprised, given the present Leader of the Opposition. I said, "You can see him now on his world tour." That is the position of the Conservative party, and it does not surprise me.

The bill before the House is a very clear one. It will last for five years. One would think the sky had fallen in if one listened to the remarks of members of the Conservative party. Perhaps they do not know what the bill is all about, perhaps they have not read it. The bill deals only with constitutional questions; they will not ask about the price of rice in China. The bill contains a sunset clause. It will go on for a period of five years and then it dies. Perhaps Conservative members do not realize this.

It is only advisory in nature and a consultative mechanism. As the hon. ember for Westmount said, it is really nothing more than a public opinion poll. Do Canadians not have the right to say what they feel through a referendum on a matter as basic as the constitution of Canada? Do Canadians in the province of Quebec not have the right to say yes or no to a very clearcut question as to whether they want to be independent or remain a part of Canada? Perhaps the people of Saskatchewan should have the right to say yes or no to a certain constitutional package. Perhaps one area of the country should not receive special treatment, as has been suggested by some Conservative members. The bill requests a direct yes or no answer to a very clearcut question. It does not have to apply necessarily to the entire country. It can apply to one province or region of the country. If we are dealing with whether Quebec wants to remain a part of Canada, indeed that is what will happen.

Some members have expressed concern about the fact that 40 hours of debate is not long enough. Surely that is a quibbling question. We must remember that 40 hours repre-

sents between eight or ten days of consideration in the House of Commons. I realize it takes Conservative members a long time to say anything, but ten days should be long enough. Once the bill leaves the House of Commons, it goes before the Senate for consideration. Where the 40-hour maximum applies as well. Thus, we are looking at approximately 20 days of consideration. There are only five days in a parliamentary week, so we are talking about four weeks. We will have more than adequate time to consider the wording of the particular question which will be put to Canadians.

An amendment could change this particular clause. Perhaps members of the Conservative party would like to have 45 hours or 50 hours for consideration of the bill, but it seems to me that the 40-hours limitation is not a good enough reason to oppose it. When the referendum is conducted, it will be conducted in the ordinary manner in which an election is conducted in terms of franchise, voting, enumeration procedure, ans so on. The contributions made for the referendum campaigns on either the yes or no side will be limited to approximately $5,000 per contributor. There will be government subsidies for groups on both sides, similar to those provided under the Canada Elections Act. Also some free time will be provided by the broadcasters of the country. Those parts of the bill are very important.

In a question as important as the one which will be facing the country, we as a parliament should have a device to go and ask a very clearcut question if we think the situation must be clarified. The entire question of the unity and the future of Canada is a very, very important one. A debate such as this provides us with an opportunity to express our views as to why the country should be united.

Recently the Pepin-Robarts Task Force on Canadian Unity completed a major study. It made a number of observations and recommendations concerning the country and various items in the constitution which require change. We do not accept all its recommendations, but some of the matters to which it referred are very important and should be accepted by the House.

[*Translation*]

Now, Mr. Speaker, I would like to extend my congratulations to the Pépin-Robarts commission. As I said in English, it has prepared a sound report and I agree with many of its recommendations. But, Mr. Speaker, Canada is a wonderful country which was founded both by the French and the British 200 or 300 years ago. Long before the British and the French ever landed here, there were many Indians living in this country, who actually are the very first Canadians.

We have the privilege, Mr. Speaker, of having many ethnic groups in Canada. For instance, in the west there are many Ukrainians, Poles, Germans, Chinese and some Swedes like myself. Moreover, Canada is a very vast country; as a matter of fact, the distance between Vancouver and Halifax is greater than between Halifax and Paris, France, or Halifax and London, England. Canada is also a land of plenty with only 23 million people living in five regions which are very dissimilar: British Columbia, the prairies, Ontario, Quebec and the Atlantic provinces.

But unfortunately, Mr. Speaker, there exists a deep misunderstanding between the five Canadian regions, between eastern and western Canada, between our consumers and our producers, between Quebec and the other provinces, but the deepest misunderstanding is to be found between Quebec and the other provinces. There is a significant cultural difference between them but, Mr. Speaker, the problems that prevail in Quebec and in English Canada are generally the same. We all have the same unemployment problems and the same Prime Minister. Therefore we have many very similar problems. It is for reasons such as those I do not wish this country to break up.

[*English*]

It seems to me sometimes we tend to exaggerate the differences a lot more than we should. Of course there are differences, but there are many similarities as well. Many of the differences in language and culture can be turned into tremendous assets with positive results for all of Canada.

● (1550)

I believe we have the flexibility we need in the constitution as it is now, perhaps with some amendments, and we have talked in this party of the different amendments that should be made to the constitution to make it very clear that the resources come within provincial jurisdiction, giving more power in communications to the provinces, and powers in respect of immigration given to the province of Quebec and perhaps others, and so on. I think that with those types of changes all parts of Canada have enough flexibility.

The province of Quebec, for example, does have the right, as it should, to make sure that French is the official working language of that province. Do they have that right? Our leader has said on several occasions that he supports the general principles of Bill 101. I do not think there is any party in the House which would deny that. Sure, there are some "i's" to be dotted and "t's" to be crossed that some might disagree with, but in general Quebec has that right just as other provinces exercise the right to have English as their basic language of work except, of course, New Brunswick, which is probably the only true bilingual or French-English province in confederation. These things do exist and I think we have flexibility.

I think the big thing that is lacking in this country is not a decentralization of power, which the Leader of the Opposition wants us to have, but a more even distribution of development. For so many years so much of the development has been concentrated in southern Ontario. I suppose if there is a spoiled brat of confederation it is the southern part of the province of Ontario. The freight rate structure has been geared in the main to aid that region.

An hon. Member: That's boloney.

Mr. Nystrom: Someone says that is boloney. He must be from southern Ontario. The tariff structure has been devised to help in the main the industrial heartland of this country, which is southern Ontario.

An hon. Member: How about Oshawa?

Mr. Nystrom: We are talking about southern Ontario and that is, of course, part of southern Ontario. I know the hon. member for Edmonton Centre (Mr. Paproski) might think Oshawa is in the north, but it is really down in the south. Anyway, I know the Leader of the Opposition needs some geography lessons but I always thought the entire caucus had more brains than he and I am very much surprised to find that we have somebody here who does not know where Oshawa is.

Then we have government policies which I think probably have centralized this country to a great extent in places such as southern Ontario. Let me give you a couple of examples of what I mean by that. We have concessions to big companies through taxation, supported by the Conservatives. Most of those concessions go to the large companies, and most of the large companies are situated in the province of Ontario. Most of the public servants are in the province of Ontario, and until recently most of the buildings housing those public servants were in Ontario also.

There are even some government inconsistencies. DREE was established to get rid of some of the inequities and disparities in this country, to help Newfoundland, part of Quebec, the northern part of the prairies and the like. Of course we support the objectives of an organization such as that. Then we have other government plans such as the Export Development Corporation that channels government money into the promotion of our exports. As it happens, of course, most of our manufacturing takes place in areas like southern Ontario, so we have government money coming right back into those areas.

An hon. Member: Take it easy on southern Ontario.

Mr. Nystrom: I am not criticizing southern Ontario. It has been smart enough to have shrewd politicians, shrewd businessmen and shrewd people for all these years, and has obtained that development. What I am saying is that the time has come when we must have more balanced development across this country.

Of course, I think that is happening in western Canada. Through our resources it is exerting its muscle like it has never exerted it before, and will continue to do so. I think the balance of power in this country is starting to shift. There should be more development in western Canada as it relates and pertains to our resources. I think in Edmonton, Yorkton, and all over, that development must continue and must be accelerated. We must have more development in the Atlantic provinces.

There are a lot of things that could be done in the Atlantic provinces which are not being done. We have relied on the old program of offering a company a large carrot, but once it has gobbled the carrot the incentive to stay and expand is gone. We must develop things that are indigenous to the areas, the fishing industry, and the lumber industry. Other commodities that are produced there should be processed and manufactured in the Atlantic provinces.

In Quebec all we have to do is look at the unemployment rates to know that large areas of that province have not received their full or fair share of national development money and national development policies.

My friend, the hon. member for Nickel Belt (Mr. Rodriguez), and others, talk about northern Ontario as being the real colony of the south, the colony of Toronto. That seems to be the forgotten region of the entire country in many ways because it is part of Ontario. There is no reason why there should not be more development there with more equal distribution and dispersion of the growth in the province of Ontario. These are the things I think have to be done.

We cannot solve the problems in respect of unity entirely by changing the constitution. I do not think we are going to make the country stronger by a tremendous decentralization of power. The premier of my own province has said that is not the solution. We do not want to set up ten quasi-sovereign states. I suggest that would really balkanize the country completely. I do not see how you create more unity by giving a tremendous amount of power to each of the ten parts. As Mr. Lévesque said yesterday on television in New York, talking about the old French proverb, if you whet the appetite you become more and more hungry. I think that is what will happen if you have a real devolution of power toward each of the provinces. I do not think that is necessary.

If we want to create equity in this country and help the outlying regions and the people who have not been helped in the past, we need a strong enough central government to distribute income and opportunity right across the country. You cannot do that by creating a system in this country where you have ten provinces given tremendously more power than they have now. I think that is the way the Leader of the Opposition wants to go. At least that is what he talks about, certainly when he is in the west, and that is what he talks about on many occasions in this House without, of course, clearly spelling out precisely what he means.

I see that I have only two or three minutes left. Let me say there are many people who have suggested that if Quebec wants to go it does not matter anyway because the rest of the country will stay as it is. I think they are dead wrong. As the report of the unity task force has said, we should not use economic arguments to keep Quebec in. Quebec has six million people and lots of resources, and perhaps they could do well on their own. Many people seem to think if Quebec goes it will just fall apart and suffer tremendous economic ills while the rest of the country would merrily carry on. I want to suggest that if Quebec goes that could be the end of the entire country. It could be the end of what is left of the entire country as well.

I am sure it would be tremendously advantageous to the Atlantic provinces to have closer ties with the United States. That would make tremendous sense. I see some members nodding their heads. I can tell you, coming from the west, that there would be a tremendous move among the people of the four western provinces, certainly in the three most western

provinces, to become independent. Why should we continue to attach ourselves to the province of Ontario from which we import all kinds of manufactured goods but, in turn, to which we export very little? Why should we continue massively subsidizing the province of Ontario? I suggest that within five or ten years we would see the whole country totally balkanized, with perhaps three or four different units, a couple independent and a couple perhaps amalgamated with the United States. May I call it four o'clock?

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Ethier): It being four o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

* * *

OLD AGE SECURITY

SUGGESTED IMPROVEMENT IN PENSION PROVISIONS

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Old Age Security Act and the Canada Pension Plan to provide for the pensions payable under these two acts to be available at age 60 to all persons who meet the other requirements of the said acts and who are not in or are prepared to withdraw from the labour market, and also to provide for the basic amount of the pension payable under the Old Age Security Act, at age 60 for those not in the labour market and to everyone at age 65, to be increased to $350 per month, for this basic amount to be escalated each year by an amount that will enable pensioners not only to keep up with rising living costs but to share in rising living standards, and also to provide for the elimination of any means or income test from the Old Age Security Act, so that the full pension thereunder will be recognized as the established right of all our people.

● (1600)

He said: I am pleased, Mr. Speaker, once again to have an opportunity to present a motion that calls for substantial improvements in our old age security program. When I ask for improvements, it is by implication to be said that over the years we have done fairly well in building up a program for our older people which is certainly a lot better than was the case a few decades ago. I not only admit that we have done fairly well, I am proud to assert it, for I have been involved in a good deal of the story.

It is a story which gives me great pleasure to tell and I tell it fairly often, but I must not repeat it on this occasion because I would use my 20 minutes and still not finish the story. Even so, I might give one or two highlights to indicate my long interest and attachment to this question. As I have said before, it was actually on the very day that I was born, June 18, 1908, that the House of Commons of Canada first debated a measure having to do with pensions for ordinary Canadians. That was

the bill which established the Government Annuities Act. I am told that I was born at about four or five o'clock in the morning, but it was not until that afternoon that the House of Commons debated the legislation. So, pensions in Canada and I got started on the same day.

I was also very much aware of the bargaining and the debating that went on in 1926 when the first old age pension bill was passed in this House of Commons and then defeated in that other place, which seems to be on the way out. Everybody is now recommending its abolition. The result of things that year, the bill in the early part of the year and an election and another bill later in the year, was that the first old age pension as such came into effect in Canada in the early part of 1927. That was a pension of $20 per month payable at age 70 under a very, very severe means test. When I first came to this House as a member in 1942, that was still the state of the old age pension, so I have been involved in all the changes that have taken place since, and I am happy to say that many of those changes have been exceedingly worth-while.

We have made things infinitely better for older people today than they were in the days of my parents or my grandparents, days that I remember quite well. Even though we have made these improvements—and I am not taking time to tell the story of the prodding and the pushing that it has taken to get them—the fact of the matter is that there are still further improvements to be made. I am not deterred at all by the argument that this is a time of restraint. I do not feel that that is any reason for leaving until some later year or decade the question of doing something to improve the position of our senior citizens.

Our senior citizens face needs today, even under our improved legislation, and it is my view that this parliament ought to be giving attention to those needs. I realize that this particular parliament, the thirtieth in Canada's history, is in its dying days and that the chances of getting something before there is a dissolution are not great, but I hope that by keeping the flag flying we will get something done on this important question before 1979 is over.

My motion, Mr. Speaker, covers most of the things that need to be done in terms of pension. Perhaps I should address myself to those items in the order in which they are mentioned in the resolution. In the first place it proposes that pensions under the Old Age Security Act and under the Canada Pension Plan should be available at age 60. I emphasize the fact that in neither case do I contend that these pensions should be universal at age 60 the way they are at age 65 but, rather, that they should be available to all those who are out of or are prepared to leave the labour market. In my view that is the only test that should be applied. I do not see the validity of a means test at that age, and even worse than the means test is the marital test that applies to the spouse's allowance which is available to some Canadians now between the ages of 60 and 65.

I know about the campaign to permit people to work beyond age 65. I am a living example of one who believes in that line of thought. What bothers me is that the campaign to provide

for people to be allowed to work longer years can easily lead to the suggestion that the date for the payment of the pension might be made later than it is. In my view it should be made earlier, as I have said, at age 60. Certainly there are many people who are in the kinds of jobs where they can work many years beyond age 60, 65, or even beyond age 70, but the kind of people I represent in the railway shops, packing plants, textile establishments, steel mills and so on in the city of Winnipeg, are in hard, backbreaking jobs, such that whenever I meet these people, especially at election time, they say to me that staying at work until they are age 65 is very difficult. The thing they plead for most is to get that pension age down, at least on the basis of its being available. So I press this matter.

I remember the long struggle to get the age down from 70 to 65 and the years when we were told that it could not be done, but we finally got it, even if it took a year at a time to get it down. I suggest that it could now be put down to age 60 and that that is an objective to which this parliament should commit itself.

There is the fact that with so much unemployment in the brackets of younger people it makes sense to let some of the older people who want to retire do so, to open up jobs for those younger people. I am not asserting that this by itself would solve the unemployment problem, but it does seem to be silly to ask the younger people to live on unemployment insurance or welfare when they want to work, and to require older people to stay in the shops and factories to age 65, when they would much rather have the chance to retire and enjoy the remaining years of their lives. Again, I stress the importance of that aspect of the motion, namely, that pensions should be available at age 60.

● (1610)

I have said it before and I say it again: I am not arguing for pensions to be universal at age 60 the way they are at age 65, but in my view anyone who is out of the labour market or who is prepared to leave the work force and wants the pension, should be able to get it. That would include housewives at home. So far as women between the ages of 60 and 65 are concerned, especially those who are not spouses—those who are single, widowed or divorced—surely this is the more humane, the more decent way to meet their needs than by that terribly discriminatory spouse's allowance we have at the present time. I press that aspect of the legislation with extreme vigour, Mr. Speaker.

Most of the rest of my motion calls for an increase in the amount of the pension. I have put in a particular figure of $350 per month. That has to be seen in relation to the fact that at the present time the old age security payment, in other words, the basic pension, is $167.21 per month and there is available on top of that a guaranteed income supplement of $137.28 per month, which comes to a possible maximum of $304.49 per month. For persons at that point I am not asking for as much of an increase as I should like to ask. I am simply suggesting a minimum figure. I hope no one in this debate will argue I have the wrong figure in there, unless he wants to argue that it is too low.

In that connection, Mr. Speaker, you can get almost any figure you want for the poverty level. The committee of the other place that dealt with aging some years ago has, from time to time, through its chairman, Senator David Croll, updated that figure. The Canadian Council on Social Development produces figures on the poverty level too, so it varies. Municipal bodies of social workers produce them also. I would point out that they range all the way from about $5,000 per year to $8,000 per year for a single person, and from $7,000 per year to $12,000 per year for a married couple. I suggest that to anyone who considers the cost of living today, those estimates of the poverty line are not at all high.

It is a fact, of course, that there are some other things available to older people, thanks to the legislation we have been able to win in this parliament and our legislatures, such as health and medical care, senior citizens apartments, and so on. When one looks at poverty levels based on the figures I have given, and when it is realized that the total amount payable under old age security and guaranteed income supplement combined is only $3,648.00 per year for a single person and only $6,756 for a married couple, one realizes that we are still asking most of our older people to live at or below the poverty line. I suggest that is something this parliament ought not to be doing; we ought to be a humane body of men and women and we ought to meet the needs of our older people.

It is argued, of course, that the pension is being indexed according to the rise in the cost of living. Almost every time we raise the issue we get that answer from the government. I want simply to make the statement again that we often make, that the indexing is always several months behind because of the way it is computed. It is also based on a general index and not in relation to the things that senior citizens have to buy. Neither does it conform to the principle I suggest in my motion, namely, that senior citizens should have the right to keep up not only with the cost of living at the point that they retire but should be able to keep up with the rising standard of living which is made possible by the economy they helped to build.

I say it is not good enough to tell us there is this kind of indexing. It does not even keep our older people up with the cost of living, let alone their right to be part of the Canadian family in every sense.

There are those who talk today about lots of older people being wealthy. An organization that I shall not name, because I am shocked at what it said, has suggested this week that perhaps we should abolish universality—we should no longer continue to pay old age pensions and family allowances to everyone. The implication is that there are older people who are wealthy and do not need their old age security. Mr. Speaker, there are statistics which show that 60 per cent of our senior citizens, 65 years of age or over, qualify for part or all of the guaranteed income supplement. You do not qualify for that unless you have little or no other income, Mr. Speaker. That accounts for 1,200,000 of our two million senior citizens.

By virtue of the fact that they qualify for the guaranteed income supplement they are already living far below the poverty line.

Above that 60 per cent, that 1,200,000, there are another 800,000 senior citizens. The implication is that they are all right. Mr. Speaker, they are not. I would say that half or more than half of those people are still living at the poverty line or just above it, which is not decent, dignified living.

There may be 10 per cent of our senior citizens at the top, but not more than that, who are receiving enough other income that they do not really need the pension. I suggest the way to deal with them is to raise the income tax on all persons in the upper brackets. Let us not ever go back to the indignity and confusion and bureaucracy of the welfare approach that was involved in means testing pensions as I knew it when I first came to this House of Commons.

I know it is argued that we have more sophisticated ways of doing these things today. It is not as cruel and severe as it was years ago. On the other hand, Mr. Speaker, I say to you out of some experience of knowing what the life of older people was like 50 years ago, and knowing what it is like today, that one of the best things the Parliament of Canada ever did was to put old age pensions on a universal basis; to make them a matter of right and to make them a matter of dignity.

There are older people today, even the ones who may be having a tough time economically, who are better off in terms of dignity and self-respect than was the case for most of our older people 40 or 50 years ago. Let there be no talk of any return to a means test for old age pensions. If there is any worry about the few at the top who make too much and do not need it, it can be taxed back.

The Minister of National Health and Welfare (Miss Bégin) is making some very good speeches about the changes that need to be made in our income tax system in order to get more for those who need it and take more from those who are at the top and do not need it. I go along with that completely. Let us not have the indignity and confusion, the unfairness that existed with the means test as we had it years ago. Once we start talking about the level at which the pension would not be paid, we are in trouble.

I see that I have used my 20 minutes, Mr. Speaker, and that I must sit down. I thank the House for the attention given me as I have made this speech—I do not know if it is the one thousand and fiftieth or the eleven hundredth time I have made it over the years. I am proud of what we have done in the Parliament of Canada to improve things for older people. Let us not stop now just because some people call for restraint. Let us recognize that the older people of this country are part of the Canadian family and that they deserve the best we can do for them.

Some hon. Members: Hear, hear!

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of National Health and Welfare): At the outset, Mr. Speaker, let me say that I am very pleased to follow the hon. member for Winnipeg North Centre (Mr. Knowles). As usual, he has made an impassioned plea, this time on behalf of senior citizens. It is the same kind of plea he has been making since he has been in the House of Commons.

● (1620)

I am glad to have the opportunity to discuss this motion today, since it comes at a time when the Government of Canada has just taken some actions to improve the benefits provided to senior Canadians under the Old Age Security Act. I think, before we directly examine the terms of this motion, it might be appropriate to look at the new changes to see what we are doing, why we are doing it this way, and how much it is going to cost.

In January of 1979 the guaranteed income supplement for old age security pensioners is going to increase by $20 for each household receiving the benefit. More specifically, unattached pensioners, and couples where only one is a pensioner, will receive $20 a month. Where both husband and wife are pensioners, or one is a pensioner and the other is receiving a spouse's allowance, each will have an extra $10 a month.

The other change is a refinement to the spouse's allowance program which will permit the extension of this benefit for six months after the death of the recipient's pensioner spouse.

These changes indicate that the government, indeed that all members of this House share the concerns for older Canadians which are expressed in this motion by the hon. member, although practicality, especially in view of the current economic situation, required a much more modest approach. I think it is particularly significant, in debating the present motion, that we remember this $20 increase will be made not on the basic old age security pension, but on the guaranteed income supplement which is made available to pensioners with relatively low incomes. By doing so, we are ensuring that the money that is available for this increase will go to those who need it most. We could have used the same money to make an across-the-board increase in the basic benefit, but the increase would have to have been smaller, and it would have done nothing to resolve the special problem of the pensioner living alone. Using the guaranteed income supplement, we have given as large an increase to this group of pensioners as we have to pensioner couples who have the advantage of being able to share expenses.

One other thing about these new amendments which is important in discussing this motion is cost. The guaranteed income supplement increase will cost about $290 million, and that is a pretty large sum. To find that much money required some hard decisions about reducing expenditures in other valuable programs, so as to avoid higher taxes or increased borrowing.

But that $290 million is absolutely nothing compared to the cost of the hon. member's proposals, which are so large that even it whole departments of government were eradicated we could not find the money. We would have to raise taxes or public borrowing to finance these proposals. I hope to get back to this point later, if time permits.

We have before us a motion which really incorporates a series of proposals which have been made from time to time by the hon. member for Winnipeg North Centre. I wish to thank him for putting forth all these ideas at once because it gives us the opportunity to discuss the implications of them as a group. As I understand it, the hon. member has asked for five separate items, at least one of which is not entirely within the power of the Parliament of Canada to grant.

First, he wants eligibility for old age security at 60. This would be subject to some test of non-participation in the labour force, and I am not entirely sure how this test would work or whether it would apply only to those between 60 and 65. I am not sure whether the hon. member would want us to cut off from benefits the many persons over 65 who are still in the labour force on at least a part-time basis. Statistics Canada's figures indicate that 182,000 persons over 65 were labour force participants in March of 1978. On the other hand I see no reason to discriminate between the 60 to 65-year-old old age security pensioner and the over 65s on this ground. I do not know whether the hon. member would go as far as some countries, like Belgium and Finland for instance, in enforcing this retirement provision. Those countries apparently deny pensioners the right to work once they start receiving their pension. I do not know if we would ever want to go that far in Canada. There is no doubt that it is less easy for Canadians over 65 to find work than it is for those under that age, but thus far the door has not been shut altogether. Individual employers may set retirement ages but the nation as a whole does not compel Canadians to stop work completely.

Secondly, the hon. member asks that the same thing be done to the Canada Pension Plan, again subject to non-participation in the labour force. This is a task that might be even more difficult to achieve than a reduction in the eligible age for old age security.

It is not just that the Canada Pension Plan is a federal plan subject to provincial consent, so that we would need provincial accord. There is also the difficulty of paying for the benefits. One member suggested in the last session that we could somehow produce the money for all these proposal by slashing other programs, but neglected the fact that the Canada Pension Plan is a contributory program. The cost of the early benefits under the Canada Pension Plan would have to be borne by the contributions of Canadian workers and employers. The current controversy over the funding of the Canada Pension Plan has largely resulted from a lot of misplaced criticisms about the contribution rate. It has always been clear that this must rise from 3.6 per cent to around 8 per cent over the next 50 years if benefits are to continue to be paid, and this does not seem to be an exorbitant price to pay for the type of solid coverage that the Canada Pension Plan provides. However, when you add in the cost of retirement benefits at age 60, then the costs of this plan start rising at an alarming rate. It is true that the major portion of the cost will have to be borne by future generations of contributors, but surely their interests must be of concern to us as well.

Next, the hon. member wants to see the basic old age security benefit raised to $350. I do not want to dwell too much on this suggestion, Mr. Speaker, because I think that all of us want to see senior citizens receive as much as possible and the cost is the only factor with which we have concern. There are some arguments that could be made as to the effects on retirement savings that a jump in old age security benefits might cause, but I am sure that every member of this House would vote for an increase in old age security benefits if only it did not cost anything. But it will cost. The current basic old age security benefit is $164.74 a month, and the budget for this benefit, not counting the supplement or spouse's allowance, is over $4 billion a year.

Mr. Knowles (Winnipeg North Centre): The hon. member is a month behind.

Mr. Robinson: Raising this benefit to $350, even without all the extras the honourable member asks in terms of eligible age and removal of income tests and such, would raise the annual budget over the $9 billion mark a year. In other words, it will more than double the price tag of this program, not just for one year but forever. Having raised the benefit, we could not turn around and decrease it again, except perhaps in some circumstances too dire to be imagined now.

Next, the hon. member wants to abolish the income test on the guaranteed income supplement, and by implication incorporate this benefit with the basic old age security payment for all pensioners. Again, cost is an overwhelming factor which has been mentioned, but this whole proposal must be seen in light of the hon. member's basic objection to the income test, which I hope I will have an opportunity to speak on further, because it seems to me to be a very important concept.

Lastly, the hon. member wishes to set up an automatic indexation of these revised benefits by some measure of the Canadian standard of living rather than by the consumer price index as is currently the case. This idea differs markedly from the current system of indexation, which is intended only to maintain the real amount of benefits. If we were to increase benefits automatically by a larger percentage, one that increased the real value of benefits, we would be increasing the real cost of the program over a period of time. This proposal has been made from time to time, and because of the potential cost implications it is one that we would have to weigh carefully indeed.

It is apparent from what I have said earlier on this motion that there are a number of disturbing aspects to this long list of proposals. Certainly the overriding thing has to be the sheer monumental cost of the hon. member's suggestion, and we have had a pretty thorough discussion in the past of what this would mean to the Canadian taxpayer.

But there is more than simply cost involved here. Some of the things implied in this motion by the hon. member for Winnipeg North Centre amount to a fundamental alteration in the approach that would be taken toward income for the elderly and for other Canadians as well.

For example, the hon. member has proposed that we remove the income test which is currently applied to the guaranteed income supplement. What he is proposing really amounts to raising the old age security benefit and abolishing the guaranteed income supplement altogether. In other words, he is suggesting that we abolish the feature of the program that is designed to direct the benefits to those with the lowest income. He appears to be saying that there is something wrong with a program being designed so that funds will be directed to those most in need.

● (1630)

The guaranteed income supplement was introduced about 12 years ago, and I do not wish to take hon. members through all the changes that have been made since then. But I do want to emphasize three points about the original program. The first is that if the same funds as were available for the supplement had been added onto the old age security program without an income test, the benefits provided would have been much smaller. In today's terms, if the $1.25 billion now being expended on the supplement were divided evenly among all OAS pensioners, this would provide each with an extra $50 per month. Each would have about $215 per month. But a pensioner who has only old age security and the guaranteed income supplement to live on would have about $65 less than the $280.29 available now, with the income-tested benefit. In any real situation the cost effectiveness is always going to be important. Universality is also important, however, and a program like OAS which combines a universal benefit with an income-tested supplement may be the best compromise. That is what we have today.

The second point is that the program was and still is not means-tested, if we define a means test as an examination of both income and assets. Instead, the supplement was concerned only with the income of the individual as defined by the Income Tax Act. This avoided the stigma that is commonly associated with programs which examine the assets of the individual. It meant that a pensioner with a low income, but in possession of a few assets such as a house or car, would not be forced to become destitute before being eligible for this benefit.

I know the hon. member is aware of this difference and prefers to call the income test a means test, but we should remember that the major drawback to a means test, as most people understand the term, is the examination of assets. Under the guaranteed income supplement this problem simply does not exist.

The third point about this program's design is that it was originally a temporary measure, designed to supplement the income of pensioners only where they did not have a chance to contribute for ten years to build up a full pension under the Canada Pension Plan, which came into effect in 1966. However, the supplement was so successful and its value was so obvious that rather than being phased out starting in 1976, the program was made permanent. There is a lesson here, Mr. Speaker, and it is that programs like the supplement do have a legitimate role to play. Many people are saying that, rather than being abolished, the guaranteed income supplement should serve as an example to be remembered in designing programs for other deserving and needy groups in our society.

There has been mention, for example, of a guaranteed income for other groups, perhaps through the vehicle of a tax credit system. I would remind hon. members that any proposed tax credit would almost have to be income-tested in very much the same way that the guaranteed income supplement is income-tested. The rate of tax-back on a tax credit might be lower or higher than the $1 for every $2 applicable under the supplement, but the principle would be the same, that is, the greater the individual's income from other sources, the smaller the proportion of the tax credit that would be retained by the individual as disposable income. We all know about the new child tax credit in this regard.

Despite whatever governments may do, it should always remain the right and the responsibility of the individual to plan and build toward his or her own retirement needs as he or she perceives them. The idea that the government knows better than the individual and can do better than the individual in the field of retirement planning is not one that we could easily endorse or justify.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, like the hon. member who just resumed his seat, I cannot fail to applaud and commend the hon. member for Winnipeg North Centre (Mr. Knowles) for the pertinacity with which he comes at this problem and the evident concern he has shown throughout the years for the elderly. He takes a very human approach to this problem. He is ever making these urgings.

In times when the Canadian economy is flourishing it is able to meet at least some of the demands that are put forward by the hon. member for Winnipeg North Centre and by others. He urges, for example, that a pension be available at age 60. It is not quite clear whether these people would take the pension at age 60 if they wanted to go on. I rather suspect that is not so. At 65 it would be there for them as well, even if they remained in the work force. That is one approach, I suppose.

The hon. member complained about the means test, as the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Robinson) has said. In the extension of the guaranteed income supplement and the qualifications to obtain it, there is a process of a means test which I suppose is actually an incomes test. That is fair enough. I do not see anything undignified about that.

If we were able, we in this House would all want to ensure that the elderly of this country live in full comfort for the rest of their years. We would also like to feel that in their working years these people would be able to provide for that on their own, setting aside and not just frittering everything away. That is one of the unforeseen side effects of this cradle to the grave operation in which we have been involved.

I am sure the hon. member for Winnipeg North Centre will agree that a tendency has developed on the part of, unfortunately, a great many people to believe they do not have to save,

the state will look after them, they will be all right, and the hon. member for Winnipeg North Centre will look after them when the time comes. They believe that when their time comes the hon. member for Winnipeg North Centre will urge that their pension be increased. That is not the ethic that belongs to the Canada that his mother, father, grandmother and grandfather knew. It is not the ethic that brought me into the world.

My forebears had to look after themselves out of their own resources and to look after others in the immediate family, such as cousins who had the misfortune to lose one or the other of their parents. That happened in my family. The ethic of that generation is being lost not wholly but partly as a result of the feeling that the government will look after them so they can spend everything they have. They believe there is no need to save. That is unfortunate.

The hon. member's motion is very complex. I will not necessarily deal with all elements in a connected fashion. One element of the motion is that the pension he is suggesting should be indexed by other than the cost of living index. The present cost of living index does not really apply to the elderly. I have urged that there be a special cost of living index for the elderly, one which is more related to their buying patterns and habits. That is something we ought to implement.

● (1640)

There was a change in the cost of living index, the base, the formula, the basket, or whatever you call it, on which the cost of living index was devised. It took place just about two or three months ago, but it did not meet this particular need.

I have learned that in Britain there are two indices applicable to the elderly. One is apparently applicable to couples over the age of 65 and it relates to the pattern of their expenditures. They may or may not own their own home, they may be living in homes for the elderly; they don't buy clothes to the same extent as younger people and not many of them buy ski equipment, yet that element, sports and recreation, is included in the present cost of living index. It is nonsense. There is another index, and I was surprised to learn of it. It is an index which is applicable to single people in Britain who are on pension. Pensions for them are indexed according to a single person's index. I think it is high time we had our statisticians looking into this matter.

When I heard that the index was being worked on I had very high hopes that there would be an index which could very well be applicable to the elderly. It has not been done and I regret this very much. In passing, and since I am talking about the British pension system, I do feel that I would like to emphasize once again here, unrelated as it may perhaps be to the motion before us but still relevant, the plea of those of us who are deeply concerned about the lot of the British pensioners in Canada who are not getting any indexation of any kind in this country.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): The reciprocal agreement has not yet come through. Perhaps the parliamentary secretary would carry our message of concern to the Minister of National Health and Welfare (Miss Bégin) in this regard.

An hon. Member: We are working on that.

Mr. Baker (Grenville-Carleton): You have been working on it for years.

Mr. Munro (Esquimalt-Saanich): I know each country blames the other, but surely there is a way of getting down to it. There aren't that many pensioners in that position. I learned that the agreement between the Italians and the Canadians was concluded the other day and I know this will be a great joy to those who lost their sons during the war. I do wish we could get it cleared up so that those British parents who came over to live near their families—their sons or their daughters who had emigrated here—should get the benefit of the increases in the British pension. However, that is a matter which will arise on another occasion.

We tend to overlook the fact that not everybody needs the pension. Many members object to a means test. The suggestion is that if certain people do not need a pension, if they have sufficient assets to make themselves comfortable in their later years, you can tax them like the devil and take those assets away from them. But what you are doing is simply redistributing income. If someone wishes to refuse the pension, if he doesn't need or want it, why should he not be able to assign it either to someone who does need it or make it quite clear that the money is going into the general pot?

As I said before, I hope there is not a single person in this chamber who does not want to ensure that those who are in need in their later years should not be in want. All of us want to make sure that their needs are catered to, to the extent that is possible. Many of us here, either because of our family circumstances prior to coming into the House, or because of the enterprise we were engaged in before we came here, or maybe because of family circumstances since coming into this House, might feel prepared to forgo the pension which might be available to us from the CPP or the OIS. Why should we not be able to make clear that we wish this pension to be available to someone else who is in need?

I am reminded of one comment made by the hon. member for Winnipeg North Centre which tickled my fancy. He said: "Pensions ought to be available to wives who are not in, or who are prepared to withdraw from, the labour market." There ought to be more wives around here prepared to comment on that remark. Wives are in the labour market whether they like it or not, as far as I can see, from the time they become wives. Husbands who are in the labour market should be able to contribute that portion of a pension for their wives so they can draw a pension in their own right. Why not?

An hon. Member: Cutting into universality.

Mr. Munro (Esquimalt-Saanich): All right, I know about universality. But is there a man in this House who would not be willing to pay twice his contribution in CPP payments in order that his wife, at the time of her reaching retirement age,

would be able to receive payments from the CPP? I hope not. But I am not going to go around the House asking the question.

Mr. Knowles (Winnipeg North Centre): What about the husband whose income falls in the low income brackets and who cannot afford to pay a premium for his wife?

Mr. Munro (Esquimalt-Saanich): I am talking about those who are able and willing. Let's distribute the income. That's what we are doing anyway. I am prepared to share what I have with those who have less, and I think a lot of people feel the same way.

There are a few other provisions which have not been included in this and which I would like to see. For instance, I would like to see tax measures which would waive certain taxes on those who have reached the age of 60 or 65. I think of capital gains taxes, for example. I will not say 60 or 65, even, at the moment, but I have in mind those who are up in years and have retired from the work force. They have saved up a little packet. They may have put it in Canada Savings Bonds, though I hope they put it in something a little more promising that that. They should be allowed to cash those savings without having to pay tax on half of the gains they made. There might even be consideration given to relieving them of other tax or allowing them a special tax rate in their circumstances. These are ways which could be used to ease the lot of those who are in the later portion of their lives.

● (1650)

I have mentioned the business of indexing pensions in Britain. I heard someone say across the way here that there is no law compelling people to stop working. I think there is such a law applying to public servants requiring them to stop work at 65. A friend of mine who was in the militia came to me saying he had reached the age of 60, and a young girl in the orderly office called him in and said: "You are 60, you are finished, hand in your uniform and get out." Why should he? He still has the desire to go on working, contributing to the training of the young folk who want to be in the militia. Why should he have to leave? This is sheer nonsense.

So unfortunately there are some laws which I think should be examined a little more closely. There are people who want to go on working, as the hon. member for Winnipeg North Centre does. I wonder why he is not taking his pension. I will tell you why he is not taking his pension—

An hon. Member: He is waiting to form the government.

Mr. Munro (Esquimalt-Saanich): You think he is waiting to form the government? It is going to be a long time.

Mr. Baker (Grenville-Carleton): He will be in the Senate by then.

Mr. Knowles (Winnipeg North Centre): Don't be so sure.

Mr. Paproski: Not even that organic union is going to take place.

Mr. Munro (Esquimalt-Saanich): They might even offer a Senate place or some other merited position.

Mr. Knowles (Winnipeg North Centre): I thought you were my friend.

Mr. Munro (Esquimalt-Saanich): Let me come back now to GIS for a minute.

There is another measure which I think we should consider because I think this motion opens up a great vista of improvements for the elderly who deserve our attention. I wonder if there is not some possibility of removing an increase in the limits of earnings permitted to those with pensions without suffering a reduction in their pension. Surely this is a means of alleviating their lot in a time of high inflation. Of course this is what is worrying the hon. member for Winnipeg North Centre, and it worries me too. I see people going around a shopping centre picking up a little piece of meat and seeing it is beyond their means. Even ground meat is becoming too costly. When they look at the price of homogenized milk or two per cent milk or skim milk, they find it is beyond their means. The same is true for bread. These are very serious problems.

I wonder if there is some means whereby we can refer the subject matter of this motion to a committee where we could break it down into its various components and see if there are not some other ways still open to us, in these times of restraint on the one hand and inflation on the other, to improve the lot of the elderly, those who are no longer in the work force, those who are prepared to leave the work force, and the handicapped. Would it be in order, Mr. Speaker, to move a motion that the subject matter of this motion be referred to the appropriate committee for further study and examination and that it return to this House with the committee's recommendations? I think we are all earnestly and keenly aware of the problem and we would like to do something to help. If the motion is in order, I would be very happy to move that the subject matter of this motion be referred to the appropriate committee.

Mr. F. A. Philbrook (Halton): Mr. Speaker, thank you for the opportunity to speak in the closing minutes on this private member's motion No. 6 put forward by the hon. member for Winnipeg North Centre (Mr. Knowles). I thank him again for giving us the opportunity to debate this very important subject. Surely if there is any justice, that member will be recorded honourably in Canadian history at least in this area for being one of the great champions of our older Canadians—

Mr. Knowles (Winnipeg North Centre): But—

Mr. Philbrook: There is always a "but". In giving due credit to the hon. member let me clear up a number of misconceptions which often arise with regard to such suggestions as those contained in the motion, not that there were any misconceptions on the part of the hon. member when he formulated these proposals, but I think they are in the minds of many members of the public. Since time is so short, I will not attempt to go

into them in full detail, as I would have, but, to point out the first one. This system is based very solidly on three tiers or areas: the old age security program, the Canada Pension Plan, and private pension plans.

Another misconception is that these benefits should go beyond basic needs and by themselves provide whatever level of security and comfort in retirement might be desired.

Another misconception is the belief that any and all improvements in the system must come in the public sector. That refers to the third tier, particularly in a country which believes in a free society, the responsibility of its citizens and the ability to provide for oneself, with all the flexibility that that suggests. Perhaps it is time we realized that not only is it possible to expect improvements in private pensions but there may be more room in this area, much more room, to make improvements than there is for increasing public benefits which result in an increased burden on the taxpayer directly, or increased costs indirectly. The registered retirement savings plans, for example, have been brought in in recent years and, although greatly used, are not used to full advantage. Yet everyone seems to have given up on these sources of additional pension.

In closing I would like to say that, as hon. members are aware, the amending formula in our Canada Pension Plan requires that changes in the CPP of the type recommended in this motion be approved by the Parliament of Canada and by two-thirds of the provinces having two-thirds of the total population. In addition, there are other difficulties. I wonder how easy a task it would be to convince the provincial—

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

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

HOUSE OF COMMONS

Monday, January 29, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT PUBLICATIONS

REDUCTION IN NUMBER OF CANADIAN LIBRARIES RECEIVING FREE PUBLICATIONS—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity in connection with an order issued by the Department of Supply and Services which, beginning in April, will reduce by one half the number of Canadian libraries which currently receive Canadian publications free of charge. In practicable application, this means that the number of libraries in Saskatchewan receiving such publications will be reduced from 25 to 8; in Manitoba, from 23 to 8; and in Alberta, from 24 to 12.

The consequence of such reduction ill mean that the public will not have access to information to which it is entitled. Libraries facing serious financial difficulties already will be denied the supply of such information. I therefore move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the government give reconsideration to such order, for unless this is done the libraries will cease to serve the public effectively.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LABOUR CONDITIONS

REQUEST STATISTICS CANADA CARRY OUT SPECIAL SURVEY—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that Statistics Canada, last March, did a special survey aimed at finding out how many outside the labour force wanted to work and came up with the number of 263,000 people, which would add about two percentage points to the unofficial unemployment, jobless rate, and in view of the fact that changes in the Unemployment Insurance Act would, even by March, start to affect the number of people outside the labour force who want to work, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That Statistics Canada be asked by the Minister of Finance to carry out a special survey for the month of February or March corresponding to the special study of last March.

Mr. Speaker: Such a motion can be presented for debate at this time, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

THE CANADIAN ECONOMY

REQUEST FOR ESTABLISHMENT OF CONSUMER DISCOUNT—MOTION UNDER S.O. 43

Mr. Gérard Laprise (Abitibi): Mr. Speaker, under Standing Order 43, I ask for the unanimous consent of the House to propose a motion relating to an issue of major importance.

In a statement to a group of businessmen last Friday the right hon. Prime Minister of Canada (Mr. Trudeau) suggested the possible return to wage and price control in this country. In view of the absolute failure of such measures in the past and their negative effect on Canadian workers, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That the government relinquish all plans, if any, to reintroduce this type of negative economic tool and that it put all its efforts in setting our economy on the way to prosperity through positive action, by instituting for example a consumer discount.

Mr. Speaker: The House has heard the hon. member's motion. Under Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

● (1410)

[*English*]

NATIONAL SECURITY

REQUEST FOR STATEMENT ON ACTIVITIES OF MICHAEL PITFIELD IN PAST YEAR—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent necessity concerning national security and Michael Pitfield, Clerk of the Privy Council and Secretary to the Cabinet.

I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That the Prime Minister make an immediate statement outlining activities of Michael Pitfield during the past year regarding national security, including participation as chairman of a top secret PMO/PCO investigative group on this subject, and whether the government plans to adopt recommendations prepared by this group, including a six-year phase-out of RCMP security service, disbanding of a plan to appoint an ombudsman for Canada, application of extreme modifications of the freedom of information act and, finally, he give a full explanation why Michael Pitfield, who has negligible national security experience, was authorized to deal with such matters when his only chief qualification is a close confidante of the Prime Minister.

Mr. Speaker: The introduction of such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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GOVERNOR GENERAL

POLICY ON OPENING OF GOVERNOR GENERAL OFFICES—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on a matter of urgent and pressing necessity.

As the new Governor General has opened a regional office in Winnipeg at room 200, 303 Main Street, the federal government building, I move, seconded by the hon. member for Okanagan Boundary (Mr. Whittaker):

That this House request the Prime Minister to make a statement on motions to explain new policy on Governor General regional offices, how many will be opened, for what purpose, and at what cost.

Mr. Speaker: Such a motion can be introduced only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

[*Translation*]

THE CANADIAN CONSTITUTION

SUGGESTED MANDATORY INCLUSION OF LINGUISTIC RIGHTS IN DECLARATION OF HUMAN RIGHTS—MOTION UNDER S.O. 43

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

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

That this House regret the lack of understanding and the apathy of the task force on Canadian Unity in spite of the cries of despair uttered by minorities and the recommendation that self-fulfilment and survival of linguistic minorities be entrusted mainly to the provinces; moreover, that this House regret that the task force did not recommend the compulsory inclusion of linguistic rights in a charter of individual and collective rights and suggest that all governments take necessary action to reach that aim so that the reconciliation not look like a divorce between the two founding nations.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Pursuant to Standing Order 43, such motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

INCOME TAX

DISTRIBUTION AND SUBMISSION OF T4A SLIPS FOR OLD AGE SECURITY—MOTION UNDER S.O. 43

Mr. Bruce Halliday (Oxford): Mr. Speaker, I rise, under Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the taxation branch of Revenue Canada has stated in the Income Tax Guide for 1978 tax returns that T4A(OAS) slips will be received by pensioners with their January cheques, whereas the Department of National Health and Welfare say the slips will not be issued until late February, and in view of the fact that this blunder was brought to the attention of the appropriate officials three weeks ago, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That this House call upon the government to take immediate action to clarify its position with respect to the distribution and submission of T4A(OAS) slips in order to put an end to the confusion which presently exists in the minds of our old age pensioners.

Mr. Speaker: Presentation of such a motion for debate at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

RAILWAYS

SUGGESTED COMMITTEE STUDY OF PRAC RECOMMENDATIONS ON RAIL LINE ABANDONMENT—MOTION UNDER S.O. 43

Mr. Arnold Malone (Battle River): Mr. Speaker, during this past year I did a telephone survey of some 15 railway lines that were under review by the Prairie Rail Action Committee and found that approximately 12 of those lines were receiving abnormal and very low service.

Under the provisions of Standing Order 43, I therefore move, seconded by the hon. member for Lisgar (Mr. Murta):

That this House instruct the transport committee to do a systematic analysis to ascertain whether or not there has been any significant decrease in the level of service during the past 15 months to those rail lines recommended for abandonment by the Prairie Rail Action Committee; and, further, if a substantive lowering of service can be established, that the Canadian Transport Commission be made aware of the committee's findings prior to their report to the Ministry of Transport.

Mr. Speaker: The introduction of such a motion for debate at this time, pursuant to Standing Order 43, can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

DEVALUED CANADIAN DOLLAR—EFFECT ON CURRENT ACCOUNT DEFICIT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Minister of Finance I direct my question to his superior, the President of the Board of Economic Development Ministers.

In view of today's dollar now being at 83.75 cents, making it the softest of the soft currencies among all industrial nations, would the minister indicate if he is aware that it has now been revealed that the United States current account deficit is only one-third, relative to their size, of our current account deficit in this country? If he is aware of that hard fact, does he agree that our sad current account position is contributing heavily to the decline of our dollar?

● (1415)

Hon. Robert K. Andras (President of the Board of Economic Development Ministers): Mr. Speaker, I have no additional comments to offer other than the very wise ones the Minister of Finance has made in this area. He has stated categorically in this House on several occasions the policy of the government in regard to foreign exchange.

I am, of course, generally aware of the juxtaposition of the United States current account balance, and so forth. I am not sure that is the whole, or the substance of the story. There are many other factors to be brought to bear, such as our relationship, our fiscal position vis-à-vis the provinces, the United States government's position vis-à-vis their states. All those kinds of things should be brought into context to make an objective analysis of this situation.

DEVALUED CANADIAN DOLLAR—EFFECT ON INFLATION

Mr. Sinclair Stevens (York-Simcoe): A supplementary question, Mr. Speaker. Having had those few words from the minister, perhaps I can go even to his superior, the emperor, the Prime Minister himself.

Bearing in mind that the Canadian dollar is now, in 1979, at the lowest level it has been in relation to the United States dollar for literally over 120 years, and bearing in mind that Mr. McNess, a well-respected economist, referring to Canada stated as follows—

I estimate that current and past devaluation is adding something in the order of an additional 4 per cent to the inflation rate—

—would the Prime Minister confirm if it is his understanding that the 83-cent dollar has cost us 4 per cent in inflation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I could not confirm or deny the 4 per cent, as I have not made the calculation. It is obvious, however, that a lower value to the Canadian dollar means that Canadians have to pay more for imported goods. That is the way the dollar works.

It means, therefore, that the cost of living in respect of imported items in Canada is higher than if the dollar were at par. This is the incentive to Canadians to buy things made in Canada which will create jobs for Canadians. That is how the lower value of the dollar is working, to create jobs in Canada.

Mr. Stevens: A final supplementary question, Mr. Speaker, to the Prime Minister. Another effect of the falling dollar and the government's desperate attempts to prevent it falling further is rising interest rates.

As we learn from the United States that it is likely their rates will continue going up, and it is estimated by some economists in New York that they may be up by a point and a half in terms of United States short-term rates by next June, would the Prime Minister indicate if he intends to continue to instruct the Bank of Canada to keep raising interest rates in Canada in order to keep ahead of United States rates, notwithstanding the devastating effect high interest rates are having in this country?

Mr. Trudeau: I have never given any such instructions, Mr. Speaker, so I would not be called upon to give them again. As to what happens after something hypothetical or speculative occurs in the United States, the very nature of the question is out of order, Mr. Speaker.

Oral Questions

DEVALUED CANADIAN DOLLAR—EFFECT ON CURRENT ACCOUNT DEFICIT

Mr. Robert de Cotret (Ottawa Centre): Mr. Speaker, my question is directed to the President of the Board of Economic Development Ministers.

Given that Canada will never have a stable dollar until the current account balance in our balance of payments improves, could the minister confirm, first, that the current account deficit for this year is significantly higher than last year and, second, that the trend is worsening rather than improving; and could he tell this House how this performance will continue to affect the Canadian dollar?

Hon. Robert K. Andras (President of the Board of Economic Development Ministers): Mr. Speaker, the trade surplus, of course, is showing some indications—

Mr. Stevens: Current account.

Mr. Andras: Hon. members over there have great difficulty getting their act together: this is obvious in many of the statements they have made. In fact, there is apparently very fierce competition among them for any role, but the universe will unfold as it should.

There is a new element on the scene: if they begin to accept some of the wise comments of a former colleague of theirs, Mr. McKeough—

Mr. Stevens: How about your Mr. Turner?

● (1420)

Mr. Andras: Perhaps it will be possible to clarify exactly where they stand on these kinds of issues.

On a serious note, we Canadians, governments and parties of all types must, obviously, do our very best to improve the competitive position of our industry vis-à-vis foreign trade in order to increase our trade surplus. Trends are encouraging now, but they are not sufficient to overcome the other problems that we all know we have.

With regard to internal deficits, as the hon. member pointed out and as I responded to him, one has to take this in total combination with governments at all levels in this country in terms of what are their cumulative surpluses or deficits in order to compare them with the American situation. While we have certainly taken steps to restrain our expenditures, we have revenue problems which are creating current account deficits in this country.

I have not had any indication of what hon. members opposite would do. In fact, the only news I have had recently is that they would do something—God knows what—to increase that deficit.

Mr. de Cotret: Mr. Speaker, I was talking about the current account deficit on the balance of payments. In terms of our domestic deficits we—as I am sure all members opposite do—expect newsletters to put us in touch with comments of former colleagues.

[Mr. Trudeau.]

Some hon. Members: Oh, oh!

Mr. de Cotret: But seriously, Mr. Speaker, on Thursday of last week, at the Prime Minister's regular press conference, he was asked about three-month to six-month projections on the dollar, unemployment and the rate of inflation. The Prime Minister replied, "They look good to me."

I would like to ask the minister if it is his view that with an 83-cent dollar, a rate of unemployment over 8 per cent and a rate of inflation over 8 per cent, that looks good to him.

An hon. Member: You can't fool a fool.

Mr. Andras: Mr. Speaker, I would not deal in those very specific mediums—

Some hon. Members: Oh, oh!

Mr. Andras: —and I do not think the Prime Minister was; but I will say that I have had the benefit, as other people have, of talking to a great many businessmen and others in this country, including labour leaders. The curious thing is that their confidence in the indicators in our economy are far more encouraging: theirs is much more upbeat and concrete, backed up by investment decisions, than you get from the theoretical economists from whom we are hearing and from the outside world. Certainly, the partisan comments are developing a psychological depression in this country, rather than any optimism.

Some hon. Members: Hear, hear!

Mr. de Cotret: Mr. Speaker, I would like the minister to explain this to the House. If everyone he hears from in the private sector, all the confidence he hears, is correct, what explains the dramatic fall in confidence vis-à-vis the Canadian dollar? What is the government not telling Canadians that, obviously, international investors and Canadians know, to make them lose faith in the Canadian dollar and thereby bring the dollar to its lowest rate in years and years?

Mr. Paproski: Pierre Trudeau.

An hon. Member: It is simple.

Mr. Hnatyshyn: Ask your Secretary of State.

Mr. Andras: Mr. Speaker, there is a lot of psychology in this area and I think the very kinds of questions and comments that members opposite are making in these times—for very questionable motivation—

Some hon. Members: Oh, oh!

Mr. Andras: —is one of the reasons why there is some problem.

LABOUR CONDITIONS

REQUEST FOR DETAILS OF WAGE SETTLEMENTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Prime Minister. As a result of meetings with business leaders which he held over the weekend, I would like to ask whether the Prime Minister or the business leaders were able to isolate any instances of exorbitant or inflationary wage increases.

As every member of parliament knows, the industrial composite index of wage and salary increases went up only 6.4 per cent, which was less than the increase in the cost of living. If the Prime Minister has any information in this respect, would he tell the House who these groups are?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there were several instances referred to of settlements which were considerably above the average figure mentioned by the hon. member—a figure of 6 per cent to 7 per cent.

● (1425)

Concern was expressed that these increasing rates of settlement might lead to double-digit inflation if Canadians were trying to compensate themselves for increased costs of goods imported from abroad, whether it be increased costs of energy because of the rise dictated by the OPEC nations, or whether it be increased costs of goods imported with the Canadian dollar worth less than it had been in the previous year. These instances were referred to. There was no general consensus that we would go into double-digit inflation; on the contrary, the hope was expressed that some of these settlements would, by their nature, be catch-up and would not indicate a trend. The hope was that the trend would continue to show the restraint that was shown in the past year by union and management.

Mr. Orlikow: I am sorry the Prime Minister was not able to give any specific illustrations about wage increases somewhat higher that 6 per cent.

Statistics Canada reported last week that after tax, industry corporation profits were up by more than 30 per cent over the year earlier, and bank profits were up by 25 per cent. Did the Prime Minister discuss with the business leaders the desirability of price and profit restraint on their part in the coming year?

Mr. Trudeau: Yes, Mr. Speaker, there was quite a bit of discussion on that. Certainly, from the government's point of view we indicated that it would be preferable, in the allocation of resources, if management kept in mind the importance of satisfying the consumer with lower prices, rather than the shareholder with higher dividends. This was discussed at some length. In that discussion we also referred to settlements with labour which might be inflationary if they were not justified by any particular catch-up.

FINANCE

PROFITS OF MINING INDUSTRY—INCREASE IN PRICE OF ZINC

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my final supplementary is for the Minister of Finance. On Friday, the minister said that the pulp and paper industry had made windfall profits which they were investing in modernization of their plants. The minister commended them for that.

Has the minister identified any other industry that has had similar windfall profits? Will the minister look into the mining industry, which has just raised the price of zinc by two cents a pound, an increase that will escalate as it moves through the economy, and any other industry which has had windfall profits? Will he discuss with those corporations the need for restraint on their part in raising prices?

Hon. Jean Chrétien (Minister of Finance): I do not know, Mr. Speaker; I will have to check the increase in the price of zinc, because I do not have that in front of me.

Of course, in the last while the price of mining products has been quite low in the international market. The fact that it is increasing at this time is not necessarily bad for the Canadian economy. Most of those products are exported. This will permit some mining operations that are not operating at full capacity at this time to resume full operation and get more people working. A firming of the prices of mining products is not necessarily bad for the Canadian economy.

* * *

[*Translation*]

THE CANADIAN ECONOMY

INQUIRY WHETHER STEPS WILL BE TAKEN TO CHANGE FLOATING DOLLAR POLICY

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, my question is directed to the President of the Board of Economic Development Ministers.

For quite a while now the Minister of Finance has been saying that the Canadian dollar is a floating dollar. In view of the fact that well informed people in economic circles, especially those involved with banking institutions, have indicated that, contrary to the Minister of Finances's allegations, the Canadian dollar is not floating but has been supported by the actions of the government, could the minister or the President of the Board of Economic Development Ministers advise the House whether the new department will change this so-called floating dollar policy and how it will direct the economy to solve this problem?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, monetary and fiscal policies are the responsibility of the Minister of Finance, and I have stated very often that the Canadian dollar is a floating dollar. The purpose of the interventions made by the Bank of Canada was to maintain a normal market, and this is something the central bank of any

country must do when its currency is going either up or down. I suggest that the hon. member read very attentively the interview which the governor of the Bank of Canada has given to *The Globe and Mail* newspapermen and which was published last Saturday.

Mr. Caouette (Témiscamingue): Mr. Speaker, on a supplementary question.

As we know full well that the governor of the Bank of Canada is on the payroll of the chartered banks, I think it might be preferable for the minister to take note of what the president of the Royal Bank said about the floating dollar. I ask the minister what he intends to do to remedy the situation: the president of the bank having said that "of course we had to build up our reserves because those of the government were used to support the dollar". He also added: The mere fact of borrowing immediately placed us at a disadvantage. What does the Minister of Finance intend to do to remedy the situation?

Mr. Chrétien: To my mind, the hon. member is contradicting himself somewhat in that he said, just a minute ago, that the governor of the Bank of Canada is on the payroll of the presidents of the chartered banks, after which he said that the president of the Royal Bank does not agree with the governor of the Bank of Canada. The hon. member might be well advised to read his text again. The policy of the government and the Bank of Canada is well known with regard to our reserves and the fluctuations of our dollar on the market: I have nothing to add to what I have already said.

Mr. Caouette (Témiscamingue): On another supplementary, Mr. Speaker.

The point being precisely that the investments the government makes to support the Canadian dollar distort its fluctuations, would the minister be willing to change that tactic which has finally been proved to be unwise since the dollar continues to go down? Would the minister be finally willing to base the value of the dollar on that of Canadian production instead of on the interests of American financiers?

Mr. Chrétien: Mr. Speaker, at this time the value of the money of every country in the world, or rather all industrial countries, is determined by the market. All of them have been floating since 1970; in that, Canada follows the same policy as the United States, Germany, Japan and all industrialized countries; in other words, the value of our dollar depends on the reactions of the market.

[Mr. Chrétien.]

• (1430)

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DEPUTY PRIME MINISTER OF NEW ZEALAND

Mr. Speaker: Before continuing the question period, I invite all hon. members to join with me in signalling the presence in our gallery of a very distinguished visitor, head of an official delegation, in the person of the Right Hon. Brian E. Talboys, Deputy Prime Minister of New Zealand.

Some hon. Members: Hear, hear!

* * *

PUBLIC SERVICE

SOLUTION TO PROBLEM OF OVERCLASSIFICATION OF POSITIONS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the President of the Treasury Board: it deals with classification.

Might I remind him that a complete audit, a report as of December 1 back in 1976, indicated there was good evidence that the administration of the classification system was deteriorating? Since the government has stated its intention to introduce Bill C-12 which has to do with indexation, a related matter, when are we to be told what the answers are to this serious problem of overclassification which, I say, is costing the Canadian people some $75 million a year: I dispute the minister's estimate that it is costing $45 million? Why the foot-dragging after all these years?

Hon. Judd Buchanan (President of the Treasury Board): Again, Mr. Speaker, I take issue with the figure of $75 million. I took the same position when replying to one of the hon. member's colleagues. I said at the time that even taking into account a degree of indexation, we felt the maximum figure would be $50 million. Even so, that is a lot of money and the position is still very far from satisfactory as far as we are concerned.

I have already outlined the action we are taking. The departments which have been identified as major offenders, and the occupational groupings in which the most serious difficulties are apparent, are being given close study and monitoring procedures are being put in place in an effort to correct the situation. Certain positions which are now vacant and which have been identified as being overclassified are, obviously, being downgraded. If individuals concerned can be relocated in other positions, the vacant positions are being downgraded. We are looking at various measures which can be taken to correct the situation to which the hon. member referred.

Mr. Alexander: I hope the minister realizes there is some urgency with respect to the debate on Bill C-12. We want complete answers; we want this whole issue to be discussed so

that we may know what to do with Bill C-12 which involves the indexation of pensions.

I will now put another urgent question to the minister. In October, 1977, a further report was placed on the desk of his predecessor, indicating that in the personnel administration group, the group which does the classifying, there is a greater tendency for overclassification. The report went even further; it called for corrective action to be initiated immediately. This was back in October, 1977.

Can the minister assure us that the corrective action which was called for, and which is so important if we are to reduce this enormous cost to the taxpayer, has in fact been taken and, if so, what is the nature of this action?

Mr. Buchanan: Yes, Mr. Speaker, it is my understanding that the personnel policy branch has put in place a new monitoring mechanism to make a particular study of this situation. It has been termed the Classification Early Warning Capability—that is a phrase which one might expect someone in the department of my hon. friend, the Minister of National Defence, to use—and it is designed to identify these cases and red-flag them earlier in the process.

Mr. Alexander: Can the minister assure us that we will have all the answers with regard to overclassification or misclassification when we begin debating Bill C-12, which I understand has a high priority this week? Obviously, we shall need complete answers if we are to reach a rational conclusion with respect to this important bill having to do with the indexation of public service pensions.

Mr. Buchanan: I can assure the hon. member I shall do my utmost to supply the answer to any questions he may wish to ask, but I should tell him it is my understanding that when officials from the personnel policy branch were appearing before the committee on miscellaneous estimates, all these matters were probed at some length. Nevertheless, as I say, I will be happy to supply additional information if it is requested.

Mr. Alexander: Probing is not a solution.

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OLD AGE SECURITY

INCOME TAX—DISTRIBUTION AND SUBMISSION OF T4A SLIPS

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is directed to the Minister of National Health and Welfare: it relates to the issuing of T4A (OAS) income tax slips to old age pensioners, and their subsequent submission to Revenue Canada.

The revenue department proposed that these slips should be issued with the January cheques. Why, in these circumstances, did the hon. lady's department decide to issue them, instead, with the February cheques, late in the month, on February 26? Knowing they would be late, why did she not take the opportunity of issuing with the February cheque an errata slip so that pensioners would not be so confused about the situation?

Hon. Monique Bégin (Minister of National Health and Welfare): The T4A (OAS) statement will go with the February cheques because we were persuaded of the urgency of having the other TFA-1 statement received by families in January together with the new form for mothers.

I ask senior citizens to recognize the reason for this decision. The machine could not process the information slips for both groups at the same time. Each of these groups is large in size and the senior citizens will receive the required forms in time, as the law says, before the end of February. Unfortunately, both groups could not be dealt with in the month of January.

Mr. Halliday: Old age pensioners normally submit applications for guaranteed income supplements at the same time as they return their income tax forms. Has the minister taken into account the confusion which will exist in her department when all these applications for GIS come in late, not to mention the confusion in the minds of all the old age pensioners who are awaiting their cheques?

Miss Bégin: I would not wish to suggest that it is the hon. gentleman who is confused, but I do not think it is the mothers who are confused. As I say, the machine cannot handle all this information in the same month. I had to make a choice. I thought it was more important—and I think all senior citizens in the country understand this—to help 1.5 million mothers who have never had to file an income tax form, which they must do in order to claim this new cheque. It is not distributed automatically, as is the family allowance. We wanted all the papers they needed to come with their January cheques.

● (1440)

The hon. member should have said, in his proposed motion under Standing Order 43, that on the other hand senior citizens have January, February and March in which to fill in their income tax and GIS application forms. They will have the same length of time to which they are accustomed. I am talking about an administrative decision to give priority to mothers who are non-filers and who are getting cheques for the first time. I am thinking particularly of those mothers who need the money the most.

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EXTERNAL AFFAIRS

EXPANSION OF RELATIONS WITH CHINA

Mr. Herb Breau (Gloucester): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the fact that the United States is now pursuing more actively its relationship with China, a very welcome move coming about seven or eight years after our move, can the minister assure the House that Canada will pursue and expand its relations with China so that we can maintain the advantage gained by recognizing that country very early in the 1970s,

which is something the Leader of the Opposition apparently does not understand?

Some hon. Members: Oh, oh!

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I am not sure that the Leader of the Opposition—and judging by the reaction opposite, the official opposition—is aware of how vigorous and effective our efforts have been in the last seven years in terms of our relations with China. I am not sure, either, whether, in talking as I believe the Leader of the Opposition did about what has happened in the last eight weeks, he was unaware that trade relations between the United States and China have been normal for many, many years. He seems to be continuing his insistence on proving that where ignorance is bliss, it is folly to be wise.

Some hon. Members: Oh, oh!

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AIRPORTS

WINNIPEG INTERNATIONAL—FACILITIES TO ASSIST HANDICAPPED PERSONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact that we are getting close to the time when the World Congress on Rehabilitation, of 1980, will be held in Winnipeg with perhaps many thousands of the delegates being handicapped persons, many of them in wheelchairs, can the minister bring us up to date on what facilities his department will be providing at the Winnipeg international airport so that these delegates can be accommodated?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am glad to have the hon. member again refer to this congress, and I know he appreciates the effort on the part of this government to see that it will, in fact, be held in Winnipeg.

At the time we had our last exchange about these facilities, I asked for a report on the planning being done and I was satisfied that the matter was in hand. I have not since received a detailed analysis of the exact facilities being put in place. This depends to some extent on the type of aircraft to be served, and this kind of information is being gathered; but contingency plans are being developed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as a supplementary question, may I ask the minister if consideration is still being given, since it will take some time to implement permanent installations, to the installation of temporary elevators from the second floor down to the first floor in the baggage carousel area so that these people can be accommodated next year?

Mr. Lang: Mr. Speaker, the hon. member knows that that was one of the matters being looked into. I indicated that to him. I have not received a more up to date report on the type of facilities which will, in fact, be selected, but I will try to obtain that information for the hon. member so that I can inform him more fully.

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EXTERNAL AFFAIRS

ASSIGNMENT OF SPECIAL ADVISER IN DEPARTMENT

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my questions are to the Secretary of State for External Affairs. I have two questions concerning Canadian representation.

Last week, the Prime Minister announced the appointment of Basil Robinson as a special adviser in the Department of External Affairs to undertake an assignment, and I quote, "advising on Canadian representation in the United States". What is the meaning of this phrase, considering that Canada has recently closed some consulates abroad, and does it suggest that Canada at last is strengthening the Canada-U.S. relationship which is so vital to our economic well-being?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, the hon. member would have had a perfectly legitimate and proper question if he had not thrown in the two words "at last", as if up to now we have not been doing anything to strengthen our relationship with the United States. The hon. member has just come from a conference at which I think virtually everyone said that Canada-U.S. relations are good.

As for Mr. Robinson's appointment, I think the hon. member is aware that over the last two or three years we have had an independent group headed by a gentleman whose bona fides are, I think, impeccable in this regard, Mr. Jake Moore, looking at how we have been represented in the United States and how we can improve our representation. Mr. Robinson will be following up on that assignment and looking at the recommendations we have received from Mr. Moore and also from our present ambassador in Mexico, Mr. Langley, who had a special assignment.

UN FORCE IN NAMIBIA—CANADIAN INPUT IN FINAL DETERMINATION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, with respect to the conference at the weekend, everyone there said that both the management of and public information regarding our foreign policy needs to be improved greatly.

I want to come to a second area of Canadian representation which concerns decisions about a UN force in Namibia, now that Canada is no longer a member of the Security Council. Will Canada have a voice in the final determination to send a UN force to Namibia to supervise elections, and can the minister assure the House that before any Canadian commitment to such a force is made, the issue will be brought to the House in the form of a motion, rather than to the Standing Committee on External Affairs and National Defence in the form of an announcement?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I am not sure of the supplementary relationship between that question and our relationship with the United States, but I am glad to answer in any event.

As far as the continuation of our relations with the Contact Group is concerned and despite some of the disparaging comments which have been made about our foreign policy, the fact is that all members of the United Nations, and particularly the members of the Contact Group—including the United States, Great Britain, France and Germany—have insisted that we remain a member of the Contact Group even though we are no longer on the Security Council. I am very proud of that fact and was delighted to accede to that. We will be continuing our negotiations on the Namibia question.

Up to this moment there have been no formal or informal requests to Canada with regard to the establishment or provision of a group for the Namibian exercise, perhaps partly because we are still not sure that such a group will be put in place. I said in the House on Friday that the signs were promising that UN-supervised elections would be possible.

On the matter of how the endorsement of this House should be obtained, I have looked at the precedents and there are a number of ways in which this has been done. Certainly, we in the government and on this side have no wish to do anything in this regard which does not have the endorsement of the House, and I will look at the most appropriate way of bringing that about if and when we are asked and agree to go.

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NATIONAL SECURITY

EXPANSION OF SECURITY UNIT WITHIN DEPARTMENT OF EXTERNAL AFFAIRS

Mr. Tom Cossitt (Leeds): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It arises from a statement issued by the External Affairs press office last Friday following my raising in the House the activities of Eldon Black, Undersecretary of State for External Affairs in charge of security, the statement being to the effect that the department is expanding considerably its security unit.

Will the minister give details of such expansion, including in what way it involves Eldon Black and how far the government will go with respect to recommendations that RCMP personnel posted abroad be replaced by External Affairs personnel?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, with the greatest respect, and without attempting at all to second-guess your authority, I think that question is altogether too detailed for me to answer orally. Furthermore, since it involves a matter of security, I think it would be unwise for me to do so. I in no way intend to retain information to which the hon. member is entitled. If he will be so good as to agree, which might be hard for him—

An hon. Member: Shame.

Mr. Jamieson: —I will try to give him a written answer. In the short run, however, I say to him that in so far as the role of Mr. Black and the hon. member's reference to expansion are concerned, this matter has to do, to a large extent, with such things as terrorism which, as hon. members know, is occurring overseas. In that connection, we are required to have a more comprehensive organization than we have had previously.

SPECIAL ACTIVITIES OF MICHAEL PITFIELD—FUTURE ROLE OF RCMP IN SECURITY MATTERS

Mr. Tom Cossitt (Leeds): Mr. Speaker, I am glad that out of the loquaciousness we heard there was one little gem of information.

I would like to put a supplementary question to the Prime Minister. My question concerns Michael Pitfield, Secretary of the Cabinet. Will the Prime Minister give details of the special activities of Mr. Pitfield in the field of national security; specifically, whether the government will adopt the recommendations of the Pitfield group not to appoint an ombudsman, to modify freedom of information legislation and to abolish the security service of the RCMP?

Finally, can the Prime Minister tell us why any of these recommendations, or any other recommendations concerning the RCMP, would be under consideration or even be discussed before the report of the McDonald commission is made?

● (1450)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, like every other question I hear from the hon. member, this one is based on pure fabrication.

Mr. Alexander: That is what you said before.

Mr. Trudeau: That is what I say again.

Mr. Alexander: And then you wanted his documents.

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COMMUNICATIONS

EARTH STATION SATELLITE POLICY

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Communications. In view of some conflicting reports, will the minister be announcing an earth station satellite policy?

In view of the fact the Clyne committee is studying this, among many other matters affecting telecommunications, will the earth station satellite policy, pay television, the problem of interconnection and other matters be delayed until we have the report of the Clyne committee?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, the policy on earth stations is not tied in with the timing of the committee on telecommunications. In the very

near future I think I will be in a position to announce the revised policy on ownership of earth stations.

Mr. Nowlan: Mr. Speaker, my supplementary question is directed to the same minister. In view of the fact that within a short time the minister may be making an announcement, is the timetable for the Clyne committee to report by the end of February, this coming month, still on schedule? Is the minister telling the House that she may very well be making a statement on earth station satellite policy before she is in receipt of the Clyne committee report?

Mrs. Sauvé: Mr. Speaker, it could be, but I am not saying that it will be. Referring to the second part of the question, as far as I know the Clyne committee has been working non-stop for the entire month of January and its work is going very well.

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EXTERNAL AFFAIRS

SAFETY OF CANADIANS IN IRAN

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is directed to the Secretary of State for External Affairs, to whom I have given very brief notice: it relates to the whereabouts and safety of Canadian citizens who were recently, or are now, in Iran and facing some very serious difficulties.

As I understand it, it has been the policy of the minister's department not to publish the names of those known to be in that country or suspected of being in that country. There may be reasons unknown to me that that is productive to the safety of those citizens. But does the minister not feel that the publication of such information might be of assistance to the department, in that people outside the department might have information which would be very helpful, and in that it would relieve the stress upon the families of those who remain in uncertainty concerning the whereabouts of their relatives?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I am genuinely grateful to the hon. member for having given me notice and for the sympathetic manner in which the question has been asked.

Since the hon. member talked with me about it on Friday, I asked the department whether we can reveal some of the names involved in what has come to be called the Iranian exercise. As the hon. member has stated, if there is deemed to be some benefit in that, we have no hesitation in doing so. As we have discussed briefly, the problem is whether we might be jeopardizing those parties. It is a matter of judgment. Since the hon. member has a particular case in mind, I would be glad to consult with him privately and perhaps get his judgment on that particular decision.

[Mrs. Sauvé.]

COMMUNICATIONS

POLICY RESPECTING PAY TELEVISION AND EARTH STATION SATELLITES

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Minister of Communications: it concerns the policy respecting pay television and earth receiving stations for satellite technology.

Since politics is light years behind the evolution of technology in this area, can the minister be more precise as to the time-frame she has in mind within which such a policy would be announced, since the study has been under way for two years and since numerous northern communities are going ahead with the installation of the technology without the government's policy?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I do not take kindly to the remark that politics always are behind technology. Hon. members of the opposition have highly criticized the committee on telecommunications which I set up to ensure precisely that politics will be on top of the technological revolution.

As for the earth station policy which the hon. member ties to the introduction of pay television, he is right to see a natural link between the liberalization of the earth station policy and the possibility of cable operators using earth stations if and when pay television is introduced. I cannot be more precise, but I will let the hon. member know ahead of time when I will announce the new policy so that he can look at it.

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[*Translation*]

CANADIAN CONSTITUTION

NECESSITY OF INCLUDING LINGUISTIC RIGHTS IN ANY CONSTITUTIONAL REFORM

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the right hon. Prime Minister.

Considering that the Pepin-Robarts commission recommends doing away with constitutional guarantees which would protect language minorities in the provinces, even suggesting that section 133 of the present constitution be repealed, can the Prime Minister assure the House that his government still believes that there are two immutable requirements in any formula towards a reform of the constitution, namely the federative formula and the necessity of introducing a charter of rights and liberties including language rights.

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I think I used those very words in the statement I made in the House last Thursday. But as far as the specific question of the hon. member is concerned, I would insist on the fact that this bill of rights should and must include a bill of rights protecting official language minorities all over the country.

[*English*]

ENERGY

COMMUNITY MEETINGS BY COMMITTEE ON NUCLEAR ISSUES

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources: it concerns the committee for nuclear issues in the community.

In light of the resignation of David Brooks from the committee, and his accusation that the committee is not doing anything, and in light of the recent refusal of the committee to hold public meetings in Kingston, Peterborough and Sault Ste. Marie, would the minister indicate if he has been in touch with the committee to find out why it has held only one community meeting in its nine months of existence? Why is the committee refusing to hear the views of communities which have expressed interest in presenting views? How has the $200,000 federal grant been expended?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, last Friday I reviewed the progress of this particular committee with some of the officers of the Science Council of Canada who are associated with it. They told me that they would be mounting a very significant public meeting in Vancouver in the very near future, a public meeting which will present all sides of the issue.

I believe some of the difficulties the committee has had in recent times in scheduling meetings in other parts of Canada are related to the fact that it has not been possible to put together a balanced presentation of views for the particular community which has sought a meeting.

Miss MacDonald: Mr. Speaker, I find the minister's answer quite interesting in view of the fact the city council of Kingston offered to bring members to Ottawa, at no expense to the committee, to present their views and they were turned down.

With reference to the proposed conference in Vancouver, and in view of recent statements indicating that the Vancouver conference is being arranged so as to present a pro-nuclear slate of participants, will the minister say what steps he is taking, or will take, to ensure that the proposed conference will present as unbiased a view as possible and that it will live up to its mandate to bring in all community views at the conference?

Mr. Gillespie: Mr. Speaker, the hon. lady will appreciate the committee does not report to me. I have no responsibility for the committee whatesoever. I will be very pleased to convey to the committee through this answer or, if that is not satisfactory, in other ways the concern of the hon. lady respecting the Kingston conference which did not take place. Undoubtedly, there may be further discussions on that one.

As to the question of the Vancouver conference, I think the hon. member has made a representation for a balanced presentation, as I have acknowledged in earlier answers. I can assure the hon. member that every effort, based on my conversation, will be made for a balanced presentation.

Point of Order—Mr. D. MacDonald

NATIONAL SECURITY

LISTING OF SUBVERSIVES IN PUBLICATIONS CIRCULATED BY GOVERNMENT

Mr. Bob Rae (Broadview): Mr. Speaker, in the absence of the Solicitor General I should like to address my question to the right hon. Prime Minister: it concerns the weekly internal security service summary known as "The Whizzer", certain statements made by Mr. Bourne, and certain answers given in the House by the Solicitor General on Thursday.

In view of the answers of the Solicitor General on Thursday, can the Prime Minister tell us who decides what organizations and individuals are on that list: is it Mr. Bourne, is it the Solicitor General, is it someone else, or is it some other committee; and does this list include all organizations with the name "Peace"?

● (1500)

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, the police security branch co-ordinates the preparation of the weekly internal security service report known as "The Whizzer" on behalf of the security advisory committee. This group also prepares a more in-depth analysis of internal security matters, known as a "special assessment."

The purpose of these reports is to inform the Canadian security community of the changing threat to internal security. The fact that the PSB prepares "The Whizzer" is public knowledge and is listed as one of its functions in the ministry's annual report.

Mr. Rae: Mr. Speaker, I should like to thank the Prime Minister's ventriloquist for that answer and address this question to him.

Is this list circulated generally to ministers of the Crown, and what controls are exercised over the list to guarantee that individuals who have been named unfairly have some kind of redress?

Mr. Young: Mr. Speaker, I will draw the balance of the hon. member's question to the minister's attention and perhaps he can relay further information on his return on Wednesday.

* * *

POINTS OF ORDER

MR. MACDONALD (EGMONT)—REFERENCE OF HARE REPORT TO STANDING COMMITTEE ON NATIONAL RESOURCES AND PUBLIC WORKS

Mr. David MacDonald (Egmont): Mr. Speaker, I rise on a point of order having to do with House business and in reference to questions raised by the hon. member for Kingston and the Islands (Miss MacDonald). On December 13 I raised a question with the government House leader regarding the Hare report and other recent documents having to do with disposal of nuclear waste, and a reference to the appropriate standing committee. Further, in answer to a further question

by the hon. member for Algoma (Mr. Foster) the minister indicated he had discussed the matter with the Minister of Energy, Mines and Resources (Mr. Gillespie) and suggested there would be an appropriate motion on the order paper referring this matter and more recent information to the committee so it could continue its important work. I wonder whether the minister could tell us exactly when that motion will be on the order paper in order that this matter may be referred to the appropriate standing committee?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): I understand it is on the order paper right now, Mr. Speaker.

Mr. MacDonald (Egmont): It is my understanding it is not yet on the order paper; I have just checked. I wonder if the minister could tell us when it will appear. Does he mean it will be on the order paper today?

Mr. Gillespie: Mr. Speaker, if it is not now on the order paper and if notice has not now already been given in respect of this matter, I will see that it is dealt with shortly.

MR. ALEXANDER—REFERENCE OF BILL C-35 TO STANDING COMMITTEE ON FISHERIES AND FORESTRY

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise on a point of order. I should like to direct the attention of the minister responsible for fisheries to a matter regarding Bill C-35. It has been suggested to him, not only by myself but also by the hon. member for South Shore (Mr. Crouse) and the hon. member for St. John's East (Mr. McGrath), that the subject matter be sent to the Standing Committee on Fisheries and Forestry rather than the Standing Committee on Miscellaneous Estimates. I can assure the minister that it will be given speedy passage after we have heard from two more speakers. I wonder whether the minister has had an opportunity of considering this, and has he decided that the bill would be sent to that committee rather than the Standing Committee on Miscellaneous Estimates, a referral which in my view seems to be rather ridiculous in light of the substance of the bill.

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, in the absence of the government House leader, whom I have not seen today and with whom I have not had the opportunity of discussing this question since it was raised last week, let me state, as I indicated, that we would be quite willing to accept the suggestion. Since the hon. member has indicated they have only two more speakers, and in view of the fact that I understand all parties are agreeable to quick passage, the suggestion by the hon. member is one to which I am sympathetic, and if there is unanimous consent when the government House leader requests it I think this arrangement could be made.

[Mr. MacDonald (Egmont).]

MR. BAKER (GRENVILLE-CARLETON)—BILL C-12—TABLING OF STATISTICAL INFORMATION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. On Friday I spoke to the President of the Treasury Board (Mr. Buchanan) in respect of the possibility that he might some time early in the week and prior to the beginning of the debate on Bill C-12 table the goverment's expectations regarding figures for the first triennial operation of the bill, assuming that it passes the House of Commons. I notice that we have now passed the period for tabling of documents. Does the minister intend to ask to do this later, does he intend to do it tomorrow, or does he intend to do it at all before the debate commences?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, I misunderstood the hon. member. My understanding on Friday was that he intended to ask me a question on this subject today, and I have the appropriate information. I could put that information on the record verbally, if you wish, and table the documents which do not really contain the precise figures. However, I am in your Honour's hands.

Basically our intent was to give full indexation for all pensionable incomes under $7,000, which I think amounts to something around 75 per cent or 80 per cent. Regarding amounts above $7,000, during the year 1979 we intend to index those at 8 per cent, in 1980 at 7 per cent and in 1981 at 6 per cent. I should point out, as hon. members will see when they look at the report from the chief actuary, that this was based on an inflation assumption of 8.8 per cent when in fact it turned out to be 8.4 per cent, so we are better off than we thought we would be. With a little good luck this provision hopefully will be even more generous for the years 1980, 1981 and 1982.

Mr. Speaker: Order, please. Does the hon. minister have the leave he now seeks from the House to table the report he has just explained?

Some hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

MR. ALEXANDER—BILL C-12—REQUEST FOR ANSWERS TO ORDER PAPER QUESTIONS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise on a point of order. Perhaps I could put this to the minister in light of the fact that he seems to be so co-operative this afternoon. There are a number of questions on the order paper, the answers to which would be of great importance in debating Bill C-12. I am wondering whether the President of the Treasury Board (Mr. Buchanan) will see to it that the answers to those questions on the order paper in terms of financing and indexing in Bill C-12 are in our hands at the time the debate commences, which I anticipate will be this week? Will he see to it that all those questions are answered, as we need all the information we can get before we can make a decision on this very complex bill?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, I will be happy to look into that, but I think hon. members may well find much of the information they wish contained in the document I have just tabled.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, in relation to this matter, I should like to ask the President of the Treasury Board (Mr. Buchanan) whether documentation on interest rates and earnings will also be made available, as this is vital to any assessment of revenue in comparison with expenditures for the period.

Mr. Baker (Grenville-Carleton): That's a first rate idea.

Mr. Alexander: In short, we want everything before you get your bill.

Mr. Buchanan: Mr. Speaker, I think that information could be provided. I should point out that this was also a contributing factor: the chief actuary projected an interest rate of 9.4 per cent. As the hon. member intimated, we have done better than anticipated; we actually earned 9.6 per cent, so that in fact we are better off.

An hon. Member: Or worse.

Mr. Buchanan: That is correct. But from the point of view of the fund, it is better off and, in fact, that could well help the situation as far as available revenues are concerned.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, the following questions will be answered today: 165, 166, 392, 528, 664, 676, 693, 709, 710, 711, 823, and 856.

[*Text*]

CIDA CAR PURCHASES

Question No. 165—**Mr. Roche:**

Is CIDA purchasing cars worth (a) $64,225 (b) $28,576 from Automobile Renault Canada Ltée, St. Bruno de Montarville, Québec and, if so (i) how many (ii) for what purpose?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Yes, CIDA is purchasing cars from Automobile Renault Canada Ltée, St. Bruno de Montarville, Québec:

(a) but not in the amount of $64,225 but rather in the amount of $16,056.27 which is equivalent to 64,225.05 francs (French).

(b) Yes, in the amount of $28,576.

(i)(a) Quantity three.

(b) Quantity five.

(ii)(a) Three vehicles will be used by six Canadian experts related to the provision of technical assistance.

(b) Five vehicles will be used by five Canadian experts who make up a multidisciplinary team.

All of the above Canadian experts are required to visit regularly various regions of Zaire in order to provide assistance in the development of the project along the lines agreed to by Zaire and Canada and to regularly monitor the progress of the project in the field.

Question No. 166—**Mr. Roche:**

Is CIDA purchasing cars worth $70,491 from Peugot Canada Ltd., Pointe Claire, Québec and, if so, (a) how many (b) for what purpose?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Yes.

(a) Nine model 304's and two model 504's. Total value $70,491.00.

(b) The nine vehicles will be used by a team of 20 Canadian experts in the detailed study of the railway system in Tanzania. The railway has 1,600 miles of roadbed reaching to all parts of the country which must be examined and improved.

Within this group there will be five maintenance specialists located at Morogoro which is 120 miles west of Dar es Salaam, the capital. These persons will be required to make frequent trips to Dar es Salaam for related training at the national vocational training centre.

The preference for Peugot vehicles was based on the widespread use of this particular model in East Africa and the high degree of maintenance and service which is available in that region.

NATIONAL DEBT

Question No. 392—**Mr. Herbert:**

For the years 1950, 1955, 1965, 1975 and, each of the past three years, what was the national debt as a percentage of the gross national product?

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance):

Fiscal Years Ending March 31	Public Debt of Canada[1][3]		Net Debt of Canada[2][3]	
	($ Millions)	per cent of GNP	($ Millions)	per cent of GNP[4]
1950	16,730	99.6	11,645	69.3
1955	17,560	67.8	11,326	43.7
1965	26,288	52.3	15,530	30.9
1975	52,643	35.7	19,275	13.1
1976	59,802	36.1	23,296	14.1
1977	67,075	35.0	29,586	15.4
1978	80,048	38.1	39,622	18.9

[1] The public debt of Canada consists of all liabilities which appear on the government's statement of assets and liabilities.

(2) The net debt of Canada is represented by the excess of recorded liabilities over net recorded assets.

(3) Amounts for the fiscal years ending March 31, 1950 to March 31, 1975 inclusive have been adjusted to reflect the presentation of assets and liabilities introduced in the Public Accounts of Canada for the fiscal year ended March 31, 1977.

(4) Calculations are based on the preceding calendar year Gross National Product figures, i.e. debt at the end of the 1977-78 fiscal year is expressed as a percentage of GNP for calendar year 1977, etc.

MULTICULTURALISM

Question No. 528—**Mr. Mitges:**

For the fiscal year ended March 31, 1978, what were the non-salary operating expenditures of the Multiculturalism Directorate under (a) transportation and communications (b) advertising (c) publications (d) professional and special services (e) rentals (f) materials and office supplies (g) equipment and capital acquisitions?

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): The non-salary operating expenditures of the Multiculturalism Directorate for the fiscal year 1977-1978 were:

(a) Transportation and communications	$227,928.82
(b) Advertising	471,629.90
(c) Publications	96,584.19
(d) Professional and special services	711,145.40
(e) Rentals	13,117.34
(f) Materials and office supplies	60,322.94
(g) Equipment and capital acquisitions	5,654.48
Total	$1,586,383.07

GRAIN DUST

Question No. 664—**Mr. Hnatyshyn:**

Has grain dust been suspected as a possible cause of grain elevator explosions and does it have a nutritional value comparable to the whole grain from which it is generated and, if so, is the government considering the possibility of compacting grain dust for handling as a potential ingredient in livestock feed?

Hon. E. F. Whelan (Minister of Agriculture): Grain dust is suspected as a possible cause of grain elevator explosions. It becomes ignitable when a combination of critical conditions are met. The known critical factors under which dust will explode with damaging force are high temperature at source of ignition, concentration of dust in suspension, size of dust particles and moisture content of the dust particles. When ignition occurs within a confined space, it may cause an explosion.

Grain dust is considered to have good nutritional value for livestock, although not necessarily as highly nutritious as the whole grain from which it is generated. Such dust captured by dust collection systems in terminal elevators, together with other refuse screenings from the cleaning systems, is lightweight material which is bulky and difficult to transport. In order to overcome this problem, it can be concentrated by pelleting into livestock feed. Almost all grain process elevators in Canada have pellet mills as an integral part of their terminal operations, concentrating this by-product and exporting it as grain screenings pellets.

[Mr. Martin.]

RESEARCH AND DEVELOPMENT

Question No. 676—**Mr. Hare:**

What was the total expenditure allocated to research and development for the past three years by (a) universities (b) the government (c) industry (d) each province?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology):

Expenditures on Research and Development in Canada
(millions of dollars)

Funded by:	1975	1976	1977
Universities	240.1	264.4	272.4
Federal government	694.3	734.5	818.2
Industry	571.3	589.0	693.4
Provinces	91.9	113.0	133.5

The totals given for expenditures on research and development by the provinces were estimated by Statistics Canada from a survey of a sample of provinces. No breakdown of this total into the expenditure by each province is possible. The figures refer only to research and development in the natural sciences and engineering, as used in calculating the Gross Expenditures on Research and Development statistics used in international comparisons. Expenditures on social sciences and humanities research and development, for which full private sector date are not available, are not included.

WATER RESOURCES RESEARCH

Question No. 693—**Mr. Forrestall:**

1. Did Canadian universities receive grants from the Department of Fisheries and the Environment for water resources research in (a) 1977-78 (b) 1978-79 and, if so (i) which ones (ii) in what amount in each case?

2. Did the government announce in September 1978, that the $800,000 in grants to universities for water resources research would be terminated and was the amount already allocated for 1978-79 or 1979-80 and, if so, in what amount to each university?

Hon. Len Marchand (Minister of State (Environment)): 1. See list below.

2. As part of the cutback in spending announced by the government in September, 1978, annual funding for the water resources research suppport program was reduced from $1 million to $250,000 effective April 1, 1979. This did not affect the $1 million already allocated to the universities for 1978-79. Research proposals for funding in 1979-80 under the program, which are now being received from Canadian universities, are expected to total nearly $2 million. These will be assessed by a review committee and the funds allocated to the successful proposals in April, 1979.

Water Resources Research Support Program
Inland Waters Directorate, Environment Canada

Support to Universities

University/Location	1977-78	1978-79
Alberta, University of Edmonton, Alberta	$ 16,500	13,300

Water Resources Research Support Program
Inland Waters Directorate, Environment Canada

Support to Universities

University/Location	1977-78	1978-79
British Columbia, University of Vancouver, British Columbia	103,600	72,500
Calgary, University of Calgary, Alberta	55,000	58,500
Dalhousie University, Halifax, Nova Scotia	17,000	35,000
Ecole Polytechnique, Montreal, Quebec	10,000	14,000
Guelph, University of Guelph, Ontario	29,000	40,500
Lakehead University, Thunder Bay, Ontario	—	21,900
Laval University, Ste-Foy, Quebec	63,500	41,700
Manitoba, University of Winnipeg, Manitoba	22,000	24,000
McGill University, Montreal, Quebec	45,500	56,500
McMaster University, Hamilton, Ontario	97,500	87,500
Moncton, University of Moncton, New Brunswick	6,000	16,500
New Brunswick, University of Fredericton, New Brunswick	61,000	78,900
Nova Scotia Technical College, Halifax, Nova Scotia	—	12,000
Ottawa, University of Ottawa, Ontario	50,000	42,000
Québec, Université du Québec, Québec	77,000	77,000
Québec, Université de Trois Rivières, Québec	12,000	10,000
Queen's University, Kingston, Ontario	47,500	51,700
Saskatchewan, University of Saskatoon, Saskatchewan	90,000	75,000
Sherbrooke, University of Sherbrooke, Québec	13,000	—
Simon Fraser University, Burnaby, British Columbia	11,000	—
Toronto, University of Toronto, Ontario	84,000	69,900
Trent University, Peterborough, Ontario	12,000	12,000
Victoria, University of Victoria, British Columbia	—	17,000
Waterloo, University of Waterloo, Ontario	76,900	64,100
York University, Toronto, Ontario	—	8,500
Total	$1,000,000	$1,000,000

RESERVES, MILITIA AND ARMOURIES

Question No. 709—**Mr. Jones:**

1. How much was saved in reducing the Militia in 1969?

2. How much was saved by closing down armouries in 1969?

3. How much will be spent to increase the reserves according to the January 1978 statement?

4. How much will be spent to restore old, closed down armouries, and build new ones?

Hon. Barney Danson (Minister of National Defence): 1. $3.2 million in 1969 dollars.

2. The estimated annual savings was $650,000 in 1970/71 dollars.

Order Paper Questions

3. Additional requirements for personnel, equipment and training are now being identified. Increased costs have not yet been determined.

4. It is not intended to restore old closed down armouries. The cost of armouries to be constructed is estimated to be between $1.5 to $2.5 million in 1978/79 dollars.

MOBILE COMMAND PERSONNEL

Question No. 710—**Mr. Jones:**

1. What is the ratio of English to French personnel in the Mobile Command?

2. How many persons are in the Mobile Command in the West? What is the number of English persons in this group? What is the number of French persons in this group?

3. How many persons are in the Mobile Command in the East? What is the number of English persons in this group? What is the number of French persons in this group?

4. How many persons are in the Mobile Command in the central region? What is the number of English persons in this group? What is the number of French persons in this group?

Hon. Barney Danson (Minister of National Defence): 1. English 67.7 per cent; French 32.3 per cent.

2, 3 and 4.

Tabulation of Mobile Command Personnel
as of November 30, 1978

Provinces	Total	Total Anglo	Total Franco
Newfoundland	23	23	
Prince Edward Island	4	4	
Nova Scotia	74	68	6
New Brunswick	2,751	2,511	240
Quebec	5,004	413	4,591
Ontario	4,434	3,910	524
Manitoba	1,555	1,475	80
Saskatchewan	27	26	1
Alberta	2,620	2,455	165
British Columbia	970	939	31
	17,462	11,824	5,638

NAVY—NUMBER OF SHIPS

Question No. 711—**Mr. Jones:**

1. What was the strength of our Navy in the early 1960's ie. number of ships and kinds of ships etc.

2. What is the strength of this sector of our Canadian Forces now?

Hon. Barney Danson (Minister of National Defence): 1 and 2. The strength of the Canadian Navy by type of ship in 1962 and of the Canadian Forces today is listed below:

	1962	1978
Light Fleet Aircraft Carrier	1	
Destroyers/Destroyer Escorts	25	8
Helicopter Destroyers		12
Frigates	18	
Diving Vessel	1	1
Coastal Minesweepers	10	6
Replenishment Vessels		3

Order Paper Questions

	1962	1978
Submarines	3	3
Escort Maintenance Ships	2	
Gate Vessels	5	5
Patrol Craft	3	1
Yacht	1	1

FARM CREDIT CORPORATION—PROVENCHER

Question No. 823—**Mr. Epp:**

From June 1, 1974 to date, what lawyers in the Constituency of Provencher were given work by the Farm Credit Corporation and, by year, what amount was paid to each?

Hon. E. F. Whelan (Minister of Agriculture): From June 1, 1974 to May 21, 1975:

Morton H. Nemy; 200-2727 Portage Prairie, St. James, Winnipeg, Manitoba.

K. R. Hanssen; Duncan, Duncan & Hanssen, Morden, Manitoba.

William C. Middleton; Weselak & Middleton, Beausejour, Manitoba.

From May 21, 1975 to present time:

Morton H. Nemy; 200-2727 Portage Prairie, St. James, Winnipeg, Manitoba.

William C. Middleton; Weselak & Middleton, Beausejour, Manitoba.

Dyck, Smith & Neufeld; Box 1627, Steinbach, Manitoba.

Fees and disbursements are paid out of the proceeds of the mortgage by and upon the direction of borrowers; the corporation has no records of such particulars.

PROJECTS IN CONSTITUENCY OF RICHMOND

Question No. 856—**Mr. Beaudoin:**

1. Since 1968, did the Treasury Board finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Board planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of Treasury Board): 1. The Treasury Board is a central agency whose responsibilities center around expenditure and personnel management, administrative policy and official languages. As a central agency, it does not finance projects throughout the country.

2. There are no plans to undertake the financing of projects in the future.

[*English*]

Mr. Young: I would ask that the remaining questions be allowed to stand.

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

Some hon. Members: Agreed.

[Mr. Danson.]

• (1510)

POINTS OF ORDER

MR. PAPROSKI—DELAY IN ANSWERING QUESTIONS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I stand on behalf of the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty). I see that none of his questions have been answered. I hope the minister or the persons in charge will either advise us to take the questions off the order paper or tell us why they cannot answer them.

MR. McKENZIE—REFERENCE OF MATERIAL TO RCMP

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, on December 7, 1977 I placed a question on the order paper asking whether members of parliament are entitled to use the DOT telex "Comcen" facilities for the purpose of sending political messages out. I also asked how many times since October, 1974 the hon. member for Assiniboia (Mr. Goodale) has used such facilities.

It does not take a year and a half to answer a question like this. A memo dated November 7, 1977 stated that the sending of these political messages over this telex network was a misuse of government facilities. Since the government will not provide me with an answer, I have no alternative but to send all this material to the RCMP for their reference, to investigate the improper use of this government facility and to determine whether any offence has been committed against the provisions of the Criminal Code of Canada.

I have one more comment. With regard to Bill C-12, I have a question on the order paper requesting information as to where $9 billion in the public superannuation account was invested and what kind of dividends it has been paying. This information is necessary to discuss Bill C-12, and I would like the President of Treasury Board (Mr. Buchanan) or his parliamentary secretary to obtain this information for us as soon as possible.

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, on Friday, in the absence of my colleague and on his behalf, I attempted to point out that we do try to get these answers as quickly as possible. The whip for the Conservative party has mentioned his colleague's questions which have been on the order paper for a while. As I recall, some of those questions are very extensive and require answers from approximately 45 different government departments or agencies, months of research to prepare, collate and bring forward the answers, and it costs a great deal in time and money. I wish that all members in this House, in commenting on the time taken to bring answers forward, would also take an interest in the cost and time for public servants involved to prepare the answers.

Mr. Speaker: Orders of the day.

Mr. Chrétien: Mr. Speaker, on a point of order, I wanted to introduce two bills today. I do not know if that was understood

by the opposition, but perhaps I did not get up at the right time.

Mr. Baker (Grenville-Carleton): That is what happened; you did not get up at the right time.

Mr. Chrétien: Mr. Speaker, I am sorry. I was watching the opposition and it confused me.

Mr. Speaker: Order, please. I understand that it is expected that we will call the ways and means motions standing in the name of the hon. minister at this time under orders of the day in the regular way. The minister did not miss anything.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

INCOME TAX ACT

Hon. Jean Chrétien (Minister of Finance) moved that a ways and means motion to amend the Income Tax Act, laid upon the table Thursday, January 25, 1979, be concurred in.

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

Motion agreed to.

INCOME TAX APPLICATION RULES, 1971

Hon. Jean Chrétien (Minister of Finance) moved that a ways and means motion to amend the Income Tax Application Rules, 1971, laid upon the table Thursday, January 25, 1979, be concurred in.

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

Motion agreed to.

Hon. Jean Chrétien (Minister of Finance) moved that Bill C-37, to amend the statute law relating to income tax, to amend the Canada Pension Plan and to provide other authority for the raising of funds, be read the first time and printed.

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

[*Translation*]

EXCISE TAX ACT

Hon. Jean Chrétien (Minister of Finance) moved:

That a Ways and Means motion to amend the Excise Tax Act, laid upon the table Thursday, January 25, 1979, be concurred in.

Motion agreed to.

Referenda

Hon. Jean Chrétien (Minister of Finance) moved for leave to introduce Bill C-38, an act to amend the Excise Tax Act.

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

* * *

[*English*]

CANADA REFERENDUM ACT

MEASURE TO PROVIDE FOR HOLDING OF REFERENDUMS ON CONSTITUTION

The House resumed from January 26, 1979 consideration of the motion of Mr. Lalonde (for Mr. Reid) that Bill C-9, respecting public referendums in Canada on questions relating to the Constitution of Canada, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. D. M. Collenette (Parliamentary Secretary to Postmaster General): Mr. Speaker, a number of those who have participated in the debate on this bill have said that this piece of legislation is one of the most important ever to be discussed in this parliament. I agree with those sentiments wholeheartedly. It has even been acknowledged by the hon. member for Kingston and the Islands (Miss MacDonald). To show the urgency and gravity of this legislation, a view shared by all sides of the House, I would like to quote from the hon. member's speech. Before I read from it, however, I should say that this will probably be the only time in this debate that I will agree with the hon. member for Kingston and the Islands. She said:

This is one of the most important, one of the most major, bills ever to come before the Canadian parliament, because by its very nature it has tremendous bearing on our established political process. This bill gives to the governor in council, the cabinet, the executive, power to initiate referenda on constitutional matters. Nothing could be more substantive or more serious. It is serious not just because of its constitutional aspects, with which I shall deal in a few minutes, but it is doubly serious because a referendum of any kind at the national level is a serious matter in itself.

I completely agree with those statements. Then, however, the hon. member and her colleagues went on to attack Bill C-9 in a most ferocious way.

I was not here on Friday, but I had the benefit of watching the CBC program "This Week in Parliament" last night, and when I saw some of the histrionics which went on in this Chamber on Friday—especially by the hon. member for Esquimalt-Saanich (Mr. Munro)—I was astonished. I believe he said that he was appalled; but I was appalled that he would drag the debate on this bill down to the level which he did. I will let the hon. member's words and actions speak for themselves. They are on videotape, and anyone can see them if they wish.

The Conservative party attacked this bill as undermining responsible government, speaking of course in the context of British parliamentary democracy. This in itself is a valid concern and I have no quarrel with it. In the first part of my remarks this afternoon I will deal with this concern, but from a

perspective which is completely opposite to the one taken by the Conservative party.

The hon. member for Oshawa-Whitby (Mr. Broadbent) also spoke on this bill on November 12. He gave the classic, responsible government defence, and so he should since he is a former professor of philosophy. Although the hon. member did not quote him by name, which would be anathema to him, he really gave the defence, if you will, of the Edmund Burke thesis of the fiduciary role of an elected representative. That is a person elected to use his or her judgment over a particular period, a representative not subject to the whim of instant recall or of his or her constitutents, but a representative who must account for his or her actions at election time.

● (1520)

The hon. member for Oshawa-Whitby eloquently summed up the arguments. I would like those hon. members of the Conservative party who are present to hear the rest of his remarks. At page 2043 of *Hansard* for December 12, 1978, he said:

> Democracy should be concerned with electing men and women to study issues seriously, to recognize the complexity of most problems and to work out a fair solution.

He went on to say that the problems facing us now and the problems posed to this country by the introduction of a referendum in the province of Quebec mean that we should go beyond the traditional role of parliamentary democracy, the traditional attitude that Edmund Burke had and what he felt about the role of the member of parliament. The hon. member for Oshawa-Whitby went on to plead that the special case of the proposed referendum in Quebec gives parliament no choice but to provide itself with a means to consult all of the people.

I wish to develop this argument further than the hon. member for Oshawa-Whitby did in order to counter the proposition put forward by the Tories. Perhaps it is quite academic and it might be too philosophical, but I think we are dealing with a matter of fundamental importance and that we should look at the philosophical aspects of the debate very closely.

As one who was born and raised in Great Britain and in my early years schooled in the magnificent fairness of the British parliamentary system, I have only the utmost respect for the monarchy, for British parliamentary institutions and our system of common law. The Conservative party should realize, however, that not only do societies evolve as time goes by but the laws that govern society also evolve.

That is what is happening in Canada today. Canada is no longer a British dominion. I hate to bring this matter to the attention of hon. members opposite, but it is no longer a British dominion. We have inherited the monarchy and we have inherited common law and parliament, and I am glad we have, Mr. Speaker. But our society itself has changed radically since the war, so radically that the proportion of those who had ancestry in the British Isles has fallen to about 40 per cent of our population. One or two per cent of the population are native people, about 27 per cent have French ancestry and the balance of around 30 per cent comes from varying backgrounds. There are many of these people in this House, and many on the other side.

These people have not always been touched by responsible government in the British context. Those of non-British stock do not necessarily appreciate or accept the rather nebulous British constitutional system of guarantees for basic liberties—a system composed of laws passed by parliament, customs and judicial decisions. A great body of opinion in Canada today does not accept the supremacy of parliament to protect rights. In fact, even the right hon. member for Prince Albert (Mr. Diefenbaker) agrees with that, because in 1959-60 he introduced the Canadian Bill of Rights to protect individual liberties. He knew how important it was. The trouble is that the Canadian Bill of Rights does not stand up. It is not good enough. We need these rights basically entrenched. I wonder what the right hon. member for Prince Albert would say on this particular matter.

The British constitution is an oddity in a world of codified constitutions. For example, those who came to Canada from continental Europe, like our neighbours in the United States, innately feel that constitutional guarantees are best safeguarded by codification rather than by legislative action. It must be acknowledged that the British constitution approach which believes in the supremacy of parliament is stoutly defended in English speaking Canada—and often emotionally. At the recent constitutional conference, for example, it was Premier Lyon of Manitoba who vigorously defended the supremacy of legislative action as the ultimate safeguard for basic rights. This is a particular point of view that Premier Lyon and others are entitled to.

This proposition was also defended last summer in the deliberations of the Special Joint Committee on the Constitution. Some members of the Senate on our side and on the other side defended that approach. Indeed, the hon. member for Halifax (Mr. Stanfield)—who I am glad to see in the House today during my speech—made the same point in committee. There is nothing wrong with it, Mr. Speaker. My question is whether this particular point is applicable in Canada in the present context.

The classic "responsible government" approach is becoming tougher to defend in twentieth century society, not only in Canada but also in Great Britain. Those who are quick to bark on the other side should look at what is happening on the other side of the pond in relation to what is happening to responsible government, aside from all their labour troubles. They should pay attention to what is happening in a constitutional sense in Great Britain, the mother of parliamentary democracy.

Let us look at this country for a moment, Mr. Speaker. Over the past century we have seen responsible government safeguard rights—to use Mr. Lyon's terminology—by the 1890 act of the Manitoba legislature which rendered inoperative the institutional bilingualism provisions in section 23 of the Manitoba act. In 1912 there was the promulgation of the infamous regulation 17 in the province of Ontario which made English the sole language of that province. This parliament

cannot be absolved from not protecting the rights of individuals. The internment of Japanese Canadians in World War II resulted from the application of section 3 of the War Measures Act, passed in 1940.

I am saying that perhaps legislatures are not the best guarantors of individual liberties. I am challenging this traditional argument that is supported not only by Premier Lyon but by his Conservative minions or his colleagues in this House.

There are some elements of Bill 101 that are an infringement on the rights of the minority. I am sure hon. members opposite have supported the challenges made in the Supreme Court of Canada of those sections of Bill 101. So much, Mr. Speaker, for legislative protection of minority rights.

We now consider Quebec's referendum which will ask for some consensus on sovereignty association or independence where presumably the unconstitutional provisions of Bill 101 would be enshrined in law. Who is to stop that particular referendum? No one, Mr. Speaker, because it is well within the ambit of provincial legislatures, provincial governments and the provinces to hold a referendum on any issue. It does not apparently strike one as logical, however, nor does it strike one as being fair or responsible, that the parliament of Canada should also have the tool of the referendum to counter any referendum that takes place in a province where the question has not been put fairly or there is some question as to the accuracy of the result of that particular referendum. I say it is logical, it is fair and it is responsible.

The hon. member for Timiskaming (Mr. Peters) who has been heckling me throughout my speech should read some of the speeches of his leader. He is at odds with his leader. He should do his homework if he does not agree with the hon. member for Oshawa-Whitby. That party supports Bill C-9.

Mr. Peters: Some may.

Mr. Collenette: Talk about division! The hon. member for Timiskaming does not support his party on Bill C-9 and I want that on the record, Mr. Speaker.

It becomes apparent that responsible government is not as sacred as the hon. member for Kingston and the Islands would have us believe. Does it not follow that history has taught us that where rights and freedoms are concerned it is better for society as a whole to decide on what rights and freedoms should be guaranteed? Who can accept the whim of legislatures—the whim of the national assembly of the province of Quebec on Bill 101, the whim of the legislatures of Ontario and Manitoba in the cases I have cited? I might even add, Mr. Speaker, the whim of this parliament in the 1940s. I am not sure if the hon. member for Winnipeg North Centre (Mr. Knowles) was here when the War Measures Act was passed in 1942, I think it was—

Mr. Woolliams: What about 1970?

Mr. Collenette: —when under the auspices of this parliament citizens of this country, Japanese Canadians, were interned. So much for the legislative guarantee of basic human rights.

An hon. Member: Under the Liberals.

Mr. Collenette: Where did the Tories vote? Everybody was very complicit in that matter. I am not just talking about parties here; I am talking about the legislatures themselves. If hon. members want to check the record they will find that only one or two members in the House of Commons did not support the War Measures Act in the early 1940s. Let them do their homework before they start criticizing us.

• (1530)

Mr. Peters: Start studying.

Mr. Collenette: Even the United Kingdom is not bound by British parliamentary traditions. Where was this tradition of legislative safeguards when Westminster invoked internment in Northern Ireland? This was only done in recent years. I believe the British government showed some level headedness in having the matter referred to the World Court in The Hague. Even in the mother of parliaments there has been a question of whether or not basic rights are being guaranteed by parliament itself.

In March a referendum will be held in Great Britain on the question of devolution of powers to Wales and Scotland. So much for our great British parliamentary tradition. Even in Great Britain they are recognizing British parliamentary democracy must change, must evolve, and must adapt to changing circumstances.

The Conservative party attacks Bill C-9 using arguments either outdated or that have failed both in Canada and in the United Kingdom. How else is one to decide whether to entrench rights or not to entrench rights, to devolve power or concentrate power? How else are we to decide that? Partisan politics often obscure the real issues in constitutional debate. We have seen it in this House with reference to Bill C-9 and we saw it at the special joint committee last fall when the official opposition were not serious about trying to find new ways to devise a constitution for this country. My answer is provided right here in Bill C-9. The people collectively should be the ones that are consulted on basic constitutional changes.

The Tories say "no" for consulting the people by means of a referendum; or if you want to use another phrase, by direct democracy. In fact, I would like to quote the hon. member for Kingston and the Islands again. She attacks Bill C-9 as constitutional revolution by stealth. This is absolute rubbish. I have heard some things said in this House that are really quite odd but I find that approach the oddest of them all.

These remarks lead me to the second major point that I wish to make this afternoon, and that is to talk about Bill C-9 in the context of a general consitutional debate. It has been acknowledged by a number of speakers in this debate that Bill C-9 has been brought in here in response to the referendum bill brought in by the province of Quebec. In fact, the constitutional debate itself is a response to the debate that is raging within

the province of Quebec. That is true. But as the Task Force on National Unity said last week, there is another dimension to the constitutional debate. It is expressed in other dimensions, for example, feelings of alienation by Atlantic Canada and western Canada from the power-making and power-sharing decisions in the country today. In a way I am almost glad—I should not say this—that the PQ won the election in 1976—

An hon. Member: Horror!

Mr. Collenette: —if for no other reason—

An hon. Member: —but for the lousy Liberal government they replaced.

Mr. Collenette: —than this one electoral act has all Canadians, not just French speaking Canadians but every Canadian, thinking about the future of their country. It has acted as a catalyst.

We have taken the basic Tory approach for so long, the kind of attitude that says "Look, the problem will go away, we will muddle through". We cannot take that approach any longer, Mr. Speaker. We have to face not just provincial governments but all legislators, and all Canadians have to face basic constitutional problems. The election of the PQ has if nothing else focused our attention on this question. In fact, the PQ victory in 1976 is the catalyst that is bringing Canada closer, to use Professor Frank Scott's words, "to the rendezvous that this generation has with the BNA Act". Professor Scott uttered these remarks about 15 years ago. It seems that he had real clarity of vision because in 1979 we are faced with a rendezvous with the British North America Act.

While most of the discussion in this debate on Bill C-9 has dealt with a federal referendum as a check on the honesty of the Quebec referendum, I would like to talk about the application of a federal referendum in terms of general constitutional reform, not just in terms of Quebec independence. Here it would be well to look at some of the remarks made by the hon. member for Kingston and the Islands, and in this respect I will quote part of her December 12 speech in this House. She said:

> A myriad of concerns come to the fore, concerns which all of us as parliamentarians, representatives of the people, feel deeply about. Who is going to determine whether or not an issue is constitutional? Can the federal government call a referendum on constitutional issues that might or would have a bearing on provincial or concurrent jurisdictions without the approval of the provinces? What about a referendum on controversial constitutional matters that have not yet been assigned to either provincial or federal jurisdictions, such as offshore resources?

As far as I am concerned, this bill provides for this parliament to determine when or where a referendum should take place, not only on matters of federal jurisdiction but on matters of provincial jurisdiction and concurrent jurisdictions—

Some hon. Members: Oh, oh!

Mr. Collenette: —and even in unassigned jurisdictions. That is the way I interpret Bill C-9, and I think the opposition should face up to it.

Some hon. Members: We have.

[Mr. Collenette.]

Mr. Collenette: But these Tories disagree with us.

Miss MacDonald: That is right.

Mr. Collenette: On the one hand they oppose the people's right to speak as provided for in Bill C-9. And even if a referendum is held and the people do speak, the Tories do not want the people's will to be enacted by this parliament. That is their position. It is there in black and white in *Hansard*. So much for the Conservative view of democracy.

An hon. Member: That is the end of parliament.

Mr. Collenette: Their view of democracy is power-broker, backroom deal democracy—

Some hon. Members: Oh, oh!

Mr. Collenette: They are very sensitive about this, and I can understand it—where provincial potentates would decide on constitutional matters. "To hell with the people;" that is what the Tory attitude is, and it has been said. It is right here in *Hansard* of December 12. Let us take a look at the speech made by the hon. member for Kingston and the Islands. This debate has really smoked the Tories out and put their ideas on the record. *Hansard* shows that the Conservative party has nothing but contempt for the will of the people.

Some hon. Members: Oh, oh!

Mr. Collenette: Now that these views on direct democracy are in *Hansard* they will not be able to reverse these stands so easily.

I am glad that the Leader of the Opposition (Mr. Clark) is here because the view of the hon. member for Kingston and the Islands cannot really be reversed. The Leader of the Opposition is very adept at reversing his views two or three months after the fact. He would negotiate sovereignty-association last November, but he will not do that today. My hon. friend the member for Rosedale (Mr. Crombie) says the same thing. They do a little soft shoe shuffling here. How can the member for Kingston and the Islands and the others in her party whose views are in *Hansard* in black and white reverse their stand? How can they do that? It is right here and it shows that the Conservative party has contempt for the will of the Canadian public to decide what kind of a country they want.

An hon. Member: Like wage and price controls.

● (1540)

Mr. Collenette: We know what their view is of Canada; it is a decentralized, weak and balkanized country, I would say, to be fair, that the hon. member for Kingston and the Islands has been consistent in her views as to who speaks for Canada. Her speech on Bill C-9 parallels the arguments she made before the Special Joint Committee on the Constitution. I think I have those remarks here. I would like to read them into the record as well. I quote the hon. member for Kingston and the Islands,

issue No. 1 of the special joint committee minutes for August 15, 1978:

> The attitude of the provinces makes one pause and think and is also an eloquent expression of the kind of attitudes which are now prevalent. You say that you are going to consult with people, but I think it would be more important to consult the provincial representatives of the people of Canada. It is all fine and well to speak directly to the people, but if you go over the heads of the 10 provincial governments, you are going to have trouble.

Trouble from whom? You will have trouble from the Canadian people who are sick and tired of the games the Conservative party play on constitutional reform and in debate on this bill. Their view of democracy is to get together and make deals with the provincial premiers. They do not want to consult the people.

At least the hon. member for Kingston and the Islands is consistent. Her view is: "The hell with the people, we will just look at the views of the provincial governments". The Conservative party has come up with a view very much akin to the Bundesrat in Germany. That is a form of upper house bringing the provincial governments into the centre. This view was also expressed by the Task Force on National Unity and the Ontario task force. That is one way of looking at it. I do not think it is the way Canadians want to deal with constitutional reform.

Let us go to another quote from the deliberations of that committee. This is Professor Edward McWhinney, head of political science at Simon Fraser university, a very eminent individual who has travelled all over the world. What does Professor McWhinney say on this matter? He is talking about the Bundesrat hang-up. I do not think he said hang-up; that is my word. Referring to the Bundesrat, he said:

> —it is basically a conclave of princely rulers meeting for executive purposes, and the analogy with our Senate or the attempt to make an analogy with the Senate I think is misplaced. The better analogy would be to the federal-provincial conferences—

I share that view of Professor McWhinney. The Bundesrat may have been applicable in the nineteenth century or postwar Germany because of the very nature of the German state and the way the German principalities and states came together to form modern Germany, but that is not the answer for Canada today. I completely oppose any view of a Bundesrat approach being sneaked into the parliament of Canada.

I want to deal further with this basic argument on the Bundesrat and who speaks for Canada. In fact, I think the hon. member for Kingston and the Islands used those words. We know the Prime Minister (Mr. Trudeau) has used them. They have become a sort of password—Who is speaking for Canada? I say the people should speak for Canada. The hon. member and her colleagues say the provincial governments should speak for Canada?

I have been elected to represent a particular constituency in metropolitan Toronto. There are provincial members in that constituency. One of them recently made a statement criticizing the federal government. That is fine; in the context of our British parliamentary tradition it is fair ball for provincial ministers continually to hammer away at Ottawa. However, it seems that federal ministers and members should not attack the provinces. That is not considered fair. As far as I am concerned, I have as much right to speak in this chamber and throughout the land on matters affecting municipal or provincial jurisdictions as have my provincial and municipal counterparts to speak about federal matters.

This view obviously is not shared by members opposite. What they really want is a confederationist approach in the classical mould. They want to bring the provincial governments into the Senate chamber, the upper house. They want them to have veto power over legislation passed by this House.

In Bill C-60 introduced in the last session was a very novel and ingenious way of bringing the regions into the centre. Bill C-60 proposed a form of proportional representation in the Senate where the parties in the legislatures—not just the government party but all of the parties in each legislature, whether it be the PQ in Quebec, the Liberals in Ontario or whatever—would have the opportunity to represent their legislatures. Half would be appointed by the provincial parties and half by the federal government. That would bring in an element of proportional representation.

There was a delaying power in the proposed Bill C-60. However, the Conservatives did not want that. They regard the true voice of the people as being in Queen's Park or the Grande Allee. That is not true. We are the true repository of what Canadians think.

Some hon. Members: Oh, oh!

Mr. Collenette: I do not know what hon. members opposite are laughing at, Mr. Speaker. We are all entitled to speak for Canada. On a question as fundamental as this where there is no consensus, the Task Force report said we should return to the spirit of 1864 where everybody submerged their petty differences and brought forward a new dream for this country. With the way the provinces carry on, aided and abetted by the attitude of members opposite, there is no consensus for a new dream.

What is one to do? If we want a new dream or a new vision for Canada, if we want to resurrect the spirit of 1864, even in the absence of any consensus on the part of the provinces and the federal government, we should consult with the people. However, the Tories do not want that. They disagree with it.

I see my time is running out. I am sure members opposite will be glad because I have said a few things they did not want to hear. The truth really hurts them. I will conclude by again quoting Professor McWhinney when talking about constitutional reform in general terms. This was said on the same day, September 26, I quote:

> The key is popular consensus. If you draft a constitution without popular consensus it may be what Mr. Justice Owen Roberts of the United States Supreme Court called "a railway excursion ticket, good for one journey on one train at one particular time to one particular place." . . . So I stress this issue of a prior societal consensus as a fundamental condition of successful constitutional making.

That is what Bill C-9 is all about. We want to get society's consensus on the direction in which we should move. Members opposite argue that our party does not really know what this

country wants. But I argue that they don't and that the provinces don't. I say this because, to be fair, each government wants to protect its own sphere of operations; each government has to see things through the perspective of its own jurisdiction, its own obligations under the constitution.

● (1550)

I do think it is incumbent upon the members of this House to pass the bill before us in order to establish a mechanism by which the people of Canada can be asked for their views. It is not sufficient just to ask the people of Quebec, to determine whether the Quebec referendum is accurate; we should ask all of the people of Canada what direction they wish to see the country take. Do they wish to take the decentralist road as put forward by the Leader of the Opposition? Notwithstanding René Lévesque and the PQ the country would just drift apart eventually. We will not need a separatist government in Quebec if we follow the policies of the opposition, Mr. Speaker; the country would just drift apart anyway, each part going off and doing its own little thing.

The one thing that struck the members of the Task Force, the report said, was the multiplicity of views, the multiplicity of different societies, the parochialism that is evident in Canada today. If we follow the policies of the Leader of the Opposition—I am glad he is present to hear me this afternoon—we will not need René Lévesque: Canada will be finished.

What my party stands for, Mr. Speaker, is, first, to consult the people and ask them what kind of country they want. We should ask them if they want a strong central government which has the ability to redistribute revenues. I am not just referring to social programs here, although the Tories say a lot about social programs. Do we want to equalize the wealth of the country a bit? Do we want to see national standards, whether such standards apply to labour or to education? You know, Mr. Speaker, we have created a whole generation of people like me—

Some hon. Members: Oh!

Mr. Collenette: We have come through the school system and we really do not have any particular trade. We are academics. The Leader of the Opposition is one himself. I do not know why he smiles. He is a product of the educational system of this country which has gone along in a hodge-podge fashion and has not really geared those going through it, people like me and like him, to the labour needs of the country. This is all due to an education system which has also failed to develop a basic understanding between our major national groups and has failed to introduce second language teaching. So we need a strong central government to ensure that rights are guaranteed from coast to coast, that the English language minority in Quebec is protected in the same way as the French speaking minority in Ontario is protected, that the education systems in this country do not discriminate against certain parts of the country. We want a strong central government, one which is able to regulate the economy, administer the economy and develop the vast economic potential of this country for the benefit of all Canadians.

What we do not want is what the Tories want; what they have said in debate on Bill C-9 parallels their comments of the last couple of years. They want a decentralized Canada, a government of petty potentates, a loose economy of semi-independent states. Who speaks for Canada? As the hon. member for Oshawa-Whitby said on December 12, it sure as hell isn't the Conservative party. Who speaks for Canada? As far as I am concerned we should ask the people of Canada who speaks for Canada.

Some hon. Members: Hear, hear!

Mr. Collenette: Bill C-9 provides them with that mechanism.

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I feel obliged to make a few remarks in response to the speaker who has just resumed his seat. I noted his preoccupation with consultation with the people of Canada. I find that rather peculiar for a spokesman of a political party which has been running as fast and as far as it can to the end of its five-year mandate to avoid any consultation with the people of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: I think, sir, that he did, though probably inadvertantly, express the view of his party regarding the future of this country and the role of leadership in this country when he said, in effect, "If you want a new dream for Canada, ask somebody else." That is certainly the position of the Liberal party at this time. We believe there is a very important role for consultation with Canadians, such as regular elections, such as keeping your word on questions like wage and price controls. We believe that very strongly.

Some hon. Members: Hear, hear!

Mr. Clark: It was also interesting to note the continuing preoccupation on the Liberal side with the position of the Progressive Conservative party on constitutional issues. I can understand this, because as soon as they understand our position—and this usually takes them some time—they adopt it.

Some hon. Members: Hear, hear!

Mr. Clark: They did so with respect to the recommendations of the Kingston declaration which the Prime Minister (Mr. Trudeau) condemned in this House on one day and then eight days later went out and embraced in a representation to a federal-provincial conference. They have done it, now, on the question of regionalism, which his party so thoroughly attacked for so long a time. Now that it has been recognized as an essential part of the Canadian reality by the Pepin-Robarts commission, the Prime Minister and his party are saying: Well, that's what we thought all the time.

The difficulty of the hon. member for York East (Mr. Collenette)—and I sympathize with him in the few remaining

weeks he has left in that capacity—is that he does not understand our position. I hope he might have accorded it the same attention as some of his superiors in his party have given to our constitutional positions in the past, because once they understand them they adopt them.

We are going to give the people of Canada the opportunity to move beyond that minor inconvenience of an intermediary hon. members opposite do not understand so that they can have in office, just as soon as we have the election the hon. member called for, a government of Canada that is prepared to start with the constitutional position that the present government occasionally ends up with, the constitutional position that can guarantee some unity in the country.

I want to deal for a moment with the suggestion that this is merely a consultative mechanism before us as proposed in the government's Bill C-9. I do not wish to dwell on this at any great length; I simply want to quote the words of the Minister of Justice (Mr. Lalonde). There is a danger in pretending that we can ignore the advice that is given on referenda. If we adopt holus-bolus what is proposed in the bill, the practice of referenda on practically every subject—that is what the government is proposing here—we will create a situation wherein the ability of parliament to do what parliament was established to do, to do what Edmund Burke described as the role of parliament—to cast our judgment and then be held accountable for it at elections—will be severely circumscribed.

I quote no better an authority—and I rarely quote him as an authority—than the Minister of Justice himself. He said in answer to a question by my hon. friend from Grenville-Carleton (Mr. Baker) on December 12:

If the government does not proceed to do anything about it surely the people of Canada would ask themselves why they had to go through with that exercise in the first place.

Exactly. Of course that question would be asked, particularly if we had more and more recourse to referenda. There would be increasing pressure on the part of the people who were consulted and saw their views ignored not to have their views ignored. There would be a continuing attrition of the fundamental and traditional role—not simply in other countries but in this country—of the House of Commons.

The other matter the Minister of Justice referred to was also said in answer to a question. It was not a prepared remark but it may well be one of great significance. He said:

There is nothing in the constitution at the present time which could make the result of a referendum binding on the government, parliament or any particular legislature.

I am not sure what he meant by the phrase "at the present time" but I think it is a phrase we all have to consider when we ask ourselves exactly what the intentions of the government are with regard to this legislation it is introducing.

● (1600)

The circumstances under which this bill has been put forward in parliament and the unmistakable implications of the language of the legislation are such that hon. members of this House will have to consider our responsibilities with even more than our usual seriousness. As has been said by almost every speaker here, this is an unusually important piece of legislation. It is important because, while the bill is very innocent in what it pretends to do, it is very dangerous in what it proposes to do.

As hon. members will recall, the matter arose as a relatively modest proposal relating to the fairness of the proposed referendum in the province of Quebec. The hon. member for Westmount (Mr. Johnston), who is in his place today, spoke on Friday. I regret that I was not here; I was meeting with the man who hopes to replace him. The hon. member indicated that it was his view that this power would never be used. That is an interesting view, and I rather regret that the hon. member for Westmount did not have an opportunity, to elaborate on why he thought it would not be used, either in the specific application of which he was speaking or, more dangerously, in the much larger application of which this bill is possible. This bill would allow federal referenda on literally every question under the sun. That is what the legislation provides.

When the modest proposal arose, it arose in the context of the proposal in the fall of 1977 by the government of Quebec when it released its white paper on referenda which was in anticipation of the provincial referendum legislation which came forward later, in December of 1977. Certain of the ground rules which were set out in the Quebec white paper were felt to place severe and undue restrictions on traditional freedom of association and expression in a political compaign. As a result, there was very serious fear in the province of Quebec, a very serious negative reaction and a very serious view across the country that it was not going to be possible to have some of our traditional liberties safeguarded in the conduct of this referendum campaign.

At about that same time—and I am sure there was some relationship between the two events—the Prime Minister began to make suggestions about the need to provide the federal government with what he called at that time the same tools as the Parti Québécois government had. In his annual New Year's interview on CTV, the Prime Minister explained the role he anticipated referendum legislation at the federal level would play. I think it is useful to place on the record the words the Prime Minister used at that time. This was at Christmas, 1977:

You could use it in Quebec to contradict or double check an erroneous or undemocratic Quebec referendum. You could use it in the other nine provinces after Quebec would have hypothetically voted to a question: "Are you in favour of independence and association", and if the answer is yes, then you ask the rest of Canada . . . I don't want to put the referendum as the centerpiece of our action. It is purely a counteroffensive tool.

That was what the Prime Minister said in 1977, and that is the reason for our concern. That description is dramatically different from what is in fact proposed in the bill before us. The Prime Minister went on at that time to say that a referendum—and I quote:

—is not something which is in the nature of a parliamentary system.

I recommend that to his acolyte from York East. I want to return to that theme later on, but for the moment it is

important to remember that the first proposal was to provide the Government of Canada with what the Prime Minister called a counteroffensive tool in the event that the province of Quebec rigged the question or rigged the rules of the referendum it was having. This proposed counteroffensive tool was said to be needed in the event that the national government needed a referendum or an instrument to answer an initiative which was taken by referendum in the province of Quebec. It was to be counteroffensive, and it was limited at that time to one circumstance and to one circumstance only.

Among the advantages of that modest, limited proposal at that time was that it fell within the Canadian tradition of the limited use of referenda. When we have referenda before, they have always dealt with specific questions which were always clearly within the jurisdiction of the sponsoring government, and the authority sought of parliament was always limited and specific as to a particular question. Even though that tradition has not contributed at all to national unity or the national harmony of the country, that is none the less the tradition which exists; and if the government wants to proceed within the Canadian tradition, it need only come to parliament with a bill providing for a specific referendum on a particular question. There would certainly be widespread support in this House for a specific Canadian referendum ensuring the fairness of the question put regarding the future of the province of Quebec. If that is what the government wanted, that is what it should have asked for. Instead, it is asking for something very different and which is very dangerous to the country.

Some hon. Members: Hear, hear!

Mr. Clark: Bill C-9 seeks a power which goes well beyond the specific question in Quebec. It goes well beyond the Canadian tradition concerning referenda. The minister admitted as much when he put the bill forward. He said that this device would be used, and I quote, "should the process of constitutional revision ever become blocked".

An hon. Member: Hear, hear!

Mr. Clark: An hon. member says "hear, hear". The hon. member was citing British history but unfortunately did not reflect much knowledge of our own, because the fact is that the whole history of our country has been one in which from time to time, from the point of view of one government or another, constitutional revision has been blocked. The hon. member might not like the federal system, he might not like the inconvenience of having to deal with the diversity of this country, but that is the country as it is, and that is the country with which we have to deal in this House.

When the Minister of Justice talked about the use by the federal government of this legislation as a means of imposing the federal will on constitutional discussion, he indicated that this central government, having been reminded that the questions and conditions regarding referenda can be rigged, is asking the parliament of Canada to give this government the power to call a referendum on constitutional questions wherever there is disagreement among governments.

An hon. Member: Hear, hear!

Mr. Clark: An hon. member opposite says "hear, hear". Speaking in the name of his party the hon. member has just entered the debate.

An hon. Member: He is a parliamentary secretary.

Mr. Clark: An hon. member who holds an office in the government says, "hear, hear" to the idea that there should be an ability to override the interests of diversity in this country and to impose the view of one man who might be able to command a parliamentary majority in this House of Commons.

Some hon. Members: Shame.

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

Mr. Lawrence: He has just identified himself.

Mr. Collenette: Mr. Speaker, I cannot let that rest. The Leader of the Opposition (Mr. Clark) is using traditional deceptive Tory trickery to distort my words. That is not what I said.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): Order, please. I do not think the Chair will ever know if there is a point of order because there is so much noise.

Mr. Collenette: Mr. Speaker, it is not often that one has two opportunities to make a point. My point is that the Leader of the Opposition deliberately distorted the words I used in my speech. I did not say what he says I said.

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

Mr. Clark: The hon. member says he cannot let the matter rest. As is so often the case, he should have. The electors of York East will certainly give him an opportunity to have plenty of rest, whenever he has the courage to encounter the kind of consultation he has been talking about and whenever he has the courage to meet the electorate.

The point about this new proposal, which would allow referenda on the constitution or—and I will come to this later—almost any other subject, is that it is a complete departure from Canadian practice; not simply practice concerning referenda, but practice concerning the basis for agreement on constitutional change. The practice in this country generally has been to amend the constitution only with the consent of the provinces. That is an inconvenience for those who govern in the certitude that they are the sole possessors of the truth and whose instinct is always directed to arbitrary and unilateral actions. But it is also a protection for minorities, wherever they are, a protection for individual citizens of Canada and, not least important, a protection for the integrity of this confederation and its ability to continue to function.

Canadians should not infer from the so-called stalemate of recent years that constitutional change in this country is impossible. Important contitutional changes have been brought about by consultation and consent in the past. This bill would enable the federal government to blackmail the provinces in constitutional discussions. If the discussions were not going in the way the federal government wanted, how easy and convenient it would be to put some of the questions to all of the country, or to put all of the questions to part of the country, as this bill would empower the government to do, and get the result wanted by the central government. The result might be satisfactory to the people who put the question, but it would be deeply illusory and, more serious than that, a result which would be deeply divisive and cause Canadian to turn against Canadian.

● (1610)

Some hon. Members: Hear, hear!

Mr. Clark: I suppose one could go on and say, "If the federal government did that, the provinces could have their own referenda". I think one of the ministers is nodding his head. I am never sure whether that indicates agreement or weariness. But if the federal government embarks upon a practice of consistent referenda, so can the provinces. Where would that lead us, a country like ours? We would have one level of government having a referendum on question A with answer X, and we would have another level of government having a referendum on the same question with a different answer. Where would that lead us?

Mr. Grafftey: To chaos.

Mr. Clark: As the hon. member for Brome-Missisquoi (Mr. Grafftey) says, it would lead us to chaos. We have enough of that with the government. We need a national government which will reflect and not try to undermine the necessity to deal with the natural diversity of the country.

I should like to deal with the language of the legislation, which I am afraid some government members have overlooked. It draws a much broader sweep than their remarks seem to indicate. The referendum power is to deal with the constitution of Canada which, according to clause 2 of the legislation, the definition clause—

—includes, without limiting the meaning of that expression,

(a) the customs, conventions and enactments that comprise the Constitution of Canada, and

(b) the political and judicial institutions and processes of Canada—

One must think for a minute what that means. Or better yet, I challenge anyone in the House to try to think of some Canadian question which is not embraced by that wide definition. The definition allows the government to have a referendum on anything it wants.

What does it mean in practice? Let us look at the language. What is a custom in Canada? What is a convention within the Canadian system? I will not give an exhaustive list because it would take the rest of my life, but I should like to refer to some examples. Cabinet government is a custom or a convention in the country. Are we to have referenda on cabinet government? Ministerial responsibility is or has been a custom or convention in the country. Is there to be a national referendum on ministerial responsibility? I hesitate to raise the subject of the monarchy because members opposite are so sensitive on the question, but the monarchy is a convention in the Canadian constitution. Is there to be a referendum on the monarchy? Federal-provincial conferences are a convention in the Canadian constitution. Are we to have a yes or no referendum on federal-provincial conferences? In fact, the parliamentary system is a custom which is not written into law. Does the government intend to have a national yes or no referendum on the parliamentary system? The power to do so is in the bill. That is what the government is requesting: the power to have referenda on the monarchy, on cabinet government, on ministerial responsibility and on a number of other things.

The fundamental rule of law in this country is a custom. Is it to be put to referendum? The bill asks for the power to put that question to referendum. What are enactments? The referendum power has to do with enactments. Let me cite a few examples. One of them is the Canadian Bill of Rights; another is the Indian Act. The Supreme Court of Canada draws its existence from an enactment, as does the right to vote. Is the right to vote to be the subject of a referendum? Because the bill permits the government to ask for a referendum on that question.

What about political and judicial institutions and processes? What does that include? Among other things it includes a free press, the party system and the distribution of powers among different levels of government. Are those to be the subject of referenda? That is the power which the government is requesting in Bill C-9. For example, they are asking for the power to put the question of freedom of the press to referendum.

I do not accuse the government of proposing referenda on these subjects specifically. I suspect its reason for widening the power it seeks is much more precise. The government wants a weapon it can use against any province in the event of disagreement about a particular constitutional reform. Perhaps it will be patriation, perhaps it will be natural resources. Hon. members of the New Democratic Party, given the interest of their last remaining premier on the question of provincial jurisdiction over natural resources, might want to take a look at whether they are so enthusiastic about this bill which would empower the government and all governments to have national referenda on whether Saskatchewan should surrender its jurisdiction over natural resources.

Perhaps it will be on some other question that the government would seek to pressure a province with a yes or a no answer on a complex question. As I will argue later, even that is dangerous and counterproductive. The power being requested in this bill goes well beyond that. As members of parliament, it is incumbent upon us to have an obligation to do more than consult. Also we have an obligation to protect particularly the rights of minorities and others who might be injured by

bills of this kind. It is very important for us to consider those provisions and implications when we deal with legislation.

As I have said, parliament is being asked to give the federal government the right to hold referenda on almost anything. We are being asked to deliberately open wide the range of questions on which referenda can be put. Perhaps the government will say that will never happen. If it will not happen, why is the government requesting the power? Why run the risk that this weapon, once permitted, will be used to accomplish purposes which may lie beyond the government's declared desire or even its desired intention? Why seek more power than is needed? The government has done that often, but why is it seeking more power than is needed now? Indeed, this is a question for all parliamentarians who care about this institution: Why should the House of Commons grant a request for more power than this or any government requires?

Some hon. Members: Hear, hear!

Mr. Clark: I have indicated some of the subjects to which referenda could apply, but I think we can assume some of the matters I have raised will not be dismissed by referenda. Probably federal-provincial conferences or the Supreme Court will not be dismissed by referenda. Let me suggest very seriously to members of the House who might be tempted to support this bill, hon. members who are concerned about minority rights and the rights of people who need the protection of an institution like parliament, that there are at least three groups which particularly could be threatened if the government begins to use the wide powers it is requesting for some reason not revealed in this debate. Those three groups are the minorities of Canada, the press of Canada, and any government, federal or provincial, which may feel bound to defend a principle which is momentarily unpopular with whatever electorate a referendum might happen to consult.

With our special responsibilities under the Indian Act, let me ask members of the House of Commons if the Indians and Inuit of Canada would like to have their rights put to a referendum? What about the Hutterites, Mennonites, or any other religious minority in the country? Would they like to have their rights put to referenda? Seriously, I ask the following question: Would it be healthy for the Canadian Broadcasting Corporation to be told by referendum what it should or should not report, what interests it should encourage, or what ideas it should conceal? Would that be healthy? The bill is requesting the power to have referenda on the rights of native people, religious minorities, and the rights and role of the Canadian Broadcasting Corporation.

Are these things improbable? Well, perhaps, but the temptation to use such power, as we have seen, has often resulted. At some time some government may find it irresistible to abuse the kind of power that is clearly within what this government is asking parliament to give it.

● (1620)

Of course, the government can say it would not be binding. Of course it would not if it was just to get the popular opinion on, say, aboriginal title, on the rights of religious minorities, or just to get a popular opinion on the rights of members. You know as well as I, Mr. Speaker, what a government that was not conscious of Canadian tradition could do with that kind of power. You know what could be done with it. It could be devastating, it could undermine, erode and abandon much of what this country and this parliament has stood for through the years.

Some hon. Members: Hear, hear!

Mr. Clark: We have a very dangerous instrument in our hands. We should not allow the legitimate preoccupation of members of this House with assuring a fair choice in respect of federalism in Quebec to blind us from the other possibilities we are inviting by this very bad, very dangerous and potentially authoritarian bill.

I think many members are troubled by the excesses that are possible in this bill. I understand the hon member for Gloucester (Mr. Breau) will be following me in the debate. I think he has been accusing me of not having read the bill. I trust he will address himself in his remarks particularly to the questions of definition and to the scope of power that is open to this government by the definition I have just read.

Mr. Breau: I will.

Mr. Clark: The hon. member says he will and I look forward to hearing him. Let me repeat the point. We should not allow our legitimate preoccupation with assuring a free choice in Quebec to blind us to the other real dangers that exist in this legislation.

Many people here are troubled by the excesses that are possible in this bill, and I certainly would ask hon. members of this House of Commons, regardless of party—and I mean the members of conscience in this House—to ask themselves whether they want to put minority rights or other rights to the kind of risk this bill proposes. I ask them seriously to consider that before voting later today.

I realize that after 11 years the government is frustrated by its failure to make progress in its efforts toward constitutional reform. Indeed, as I listen to some members opposite I sometimes feel they are frustrated by the very nature of federalism in this country. There is no question in my mind, and I say this with some regret, that they are using the situation in Quebec to justify a referendum weapon that can be used to attempt to rally yes or no support for some of the government's pet constitutional bills. They are also, and probably not for the first time, trying to use the situation in Quebec to their own electoral advantage. We will deal with that whenever the election finally comes.

I do not question—I want to make this very clear—the motives of the Government of Canada in respect of matters relating to national unity. As the Prime Minister said the other day, and I was pleased to hear him say it and hope some of his backbenchers heard him also, all parties speak for Canada in this House of Commons.

Some hon. Members: Hear, hear!

Mr. Clark: I do not at all question the government's motives, but I think the government has been wrong in its analysis of this nation, and wrong in its approach to unity in this nation. One of the reasons we are so divided now is that the central government has been wrong and stubborn on key questions. As more than one observer has pointed out, the Pepin-Robarts task force report amounts to a repudiation of many elements of the government's approach and many elements of the government's stewardship. Uniting this nation requires much more than having a means to try to force the premiers into line. On key questions like the integrity and unity of this nation there can be no negotiation, none at all. On other questions, including distribution of powers and patriation, there can be real progress only with real agreement, and that kind of real agreement requires an atmosphere of co-operation.

We have made some progress in constitutional talks lately. I must say we have made particular progress since the government discovered and adopted the recommendations of the Kingston conference. It would be tragic if that atmosphere of progress, minor and recent, were destroyed by Ottawa using the weapon it is seeking today to blackmail the provinces into accepting unacceptable constitutional changes. That, sir, would recreate the confrontation that has done so much damage to this country.

[*Translation*]

Mr. Speaker, I believe we should put aside the case of Quebec for a moment because as concerns the issue of constitutional referenda, Quebec is in a special situation since it will have its own referendum to determine its constitutional future. Naturally, the Canadian government needs special powers to hold its own referendum in Quebec on this same issue. Everyone agrees about this. There have already been cases in Canada where the federal government was empowered to hold a referendum on a specific issue when necessary. And we can face the particular problem involving the situation in Quebec by using the same methods that have been implemented in our Canadian traditions.

However, this bill makes important changes in the way of using referenda in Canada. This bill grants much more power to the federal government and allows it to ask questions related to constitutional matters under provincial jurisdiction. When he introduced this bill, the Minister of Justice (Mr. Lalonde) said that this tool could be used if the process of constitutional review breaks down. In other words, Ottawa could use a referendum in the case of what the minister has called a constitutional review breakdown. This bill will allow Ottawa to ask the opinion of the public throughout Canada to attempt to force any province to accept constitutional changes with which it disagrees. We can now think of instances where this power could be used to the detriment of one province or another. The federal government could use this tool to attack Saskatchewan in relation with the rights of this province as concerns natural resources. It could also attack the jurisdiction of Quebec in educational matters, for instance. It could attack the jurisdiction of coastal provinces as concerns offshore resources.

This means that this new power in the hands of Ottawa will certainly cause new tensions in the area of federal-provincial relations. It is totally in the spirit of confrontation that prevails within the federal government every time it must deal with the provinces. A national government convinced that progress is possible through co-operation rather than confrontation would not ask for such a tool which proves useful only when there is disagreement. The mere fact that it requires such a tool shows that Ottawa is expecting even more confrontation with the provinces. Such a presumption is quite dangerous because if one starts discussions while expecting disagreement, there is bound to be disagreement.

If we really want to make progress, we must take an entirely different approach to federal-provincial relations. We must recognize that the only way to renew the Canadian federalism is to reach a consensus among all governments. Blackmail is not an answer. The only solution is to agree. For some years, the premiers of provinces other than Quebec have seemed increasingly willing to consider reforms that would ensure the development of the Quebec culture within a renewed federalism. English Canada is favourable to change, and it is most important for the cause of federalism in Quebec that the national government be in a position to work in consultation with the provinces that want reforms instead of fighting with all the provinces.

● (1630)

[*English*]

The essence of my intervention in this debate is quite simple, and I repeat it now. If the government feel that a referendum on a specific question is necessary, then let them come and put it to this House of Commons. Let them do it in the Canadian way and ask a specific question, not seek this immense power which would allow the national government to run referenda on virtually any question. If it would like that kind of support, then let them come to this House of Commons and ask for it. But we say "no" to this bill that demands so much excessive power.

If the government came forward and asked us for what they say they want, then they would get a different hearing; but they are asking for something much more. They are asking for a power that is dangerous in the hands of this or any government. That is a power which we in this parliament, being conscious of our traditions, of the need to protect minorities and others who might be abused by the power, of the fact that the only way in which we will get agreement and progress in this nation is for different governments to agree and come together, knowing that you do not get agreement by blackmail, will resist, as this bill is written now. It is an attempt to grab more power than is needed for purposes which are not stated by this government.

Mr. Nielsen: Mr. Speaker, I rise on a point of order. My point of order has to do with the intervention a moment ago by the hon. member for York East (Mr. Collenette). The record will show, and I am sure members heard him, that he accused the Leader of the Opposition (Mr. Clark) of a deliberate distortion. In the very admirable work, the fifth edition, of Beauchesne, at page 106 are two examples which cleary indicate that the use of the terms "deliberate distortion" and "deliberately distorted" are unparliamentary.

I have taken the time to obtain copies of excerpts from *Hansard*. The first infraction occurred on December 5, 1968, at page 3517, and a corresponding citation is given in Beauchesne. The hon. member for Peace River (Mr. Baldwin) called upon the Speaker to declare that the words "deliberate distortion" were unparliamentary and requested withdrawal by the member who made the comment. The Speaker of the day said:

> Order, please. As the hon. member knows much better than I, there are a number of precedents and a number of authors who list long series of words considered to be unparliamentary. Basically I would think the suggestion by a member that there has been a deliberate intention to mislead the House is normally not acceptable according to the practices of this House. Although the hon. member may have wanted to say there had been a distortion, I am quite sure he did not want to impute to any hon. member an intention to deliberately distort something. I should like that hon. member to confirm my understanding of this situation.

The speaker required withdrawal. The second precedent occurred on May 26, 1972 at page 2589 of *Hansard* and is also cited on the relevant page of Beauchesne. At the foot of the page with respect to the remarks made by the then member for Skeena, the Speaker intervened, called for order and said:

> The hon. member knows that another member should not be accused of deliberately distorting what has been said. He can say that it has been distorted, but he has no right to say the distortion was deliberate.

On that occasion as well the offensive words uttered by the member at the time had to be withdrawn.

I suggest, since the hon. member for York East is now in his seat, that the gentlemanly thing for him to do in the face of those precedents is to rise and, if not apologize for the use of that unparliamentary term, at least have the good grace to withdraw it.

Mr. Collenette: Mr. Speaker, I am very glad that the hon. member for Yukon (Mr. Nielsen) raised this matter as a point of order. It is true in the first intervention I made on a point of order that I did use the word "deliberate". It is said that I repeated the words; but I do not think that I used them in the second intervention.

An hon. Member: Yes, you did.

Mr. Collenette: If I did, then we will have to see the blues. As I said in my speech, I have the utmost respect for the traditions of British parliamentary democracy, and I would not want to accuse any member of deliberately distorting any facts. I would be most pleased to withdraw the word "deliberate". It was done in the heat of debate this afternoon. We have had a rather heated and very useful exchange. I apologize if the Leader of the Opposition (Mr. Clark) was in any way offended. Members of the House will realize that the Leader of the Opposition does not do anything deliberately.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am pleased to take part in this debate on second reading and referral to committee of Bill C-9 that would empower the Parliament of Canada to hold referenda on constitutional matters.

[*English*]

Before I go into my remarks, Mr. Speaker, I would just like to deal briefly with the tone and content of the speech made by the Leader of the Opposition (Mr. Clark). I wonder if the leader of the Opposition has read the bill, because in his attempt to attack and blur the government's position on the constitutional question and the national unity question, he repeatedly said in his speech that the government wants the power to hold the referendum, to do this and to do that. Section 4 and 5 of Bill C-9, at pages 6 and 7, clearly state that any proclamation or order in council to hold a referendum must be approved by this House. The bill provides for 40 hours of debate on the motion.

This House of Commons must approve this motion before a referendum can be held, so how misleading—but not deliberately of course. When a man of the stature of the leader of a national party rises in this House and bases the whole premise of his speech and his attack on the government on the fact that this government would like far-reaching powers to hold referendums, I do not know what to think. He feels that it is terrible to ask this House to pass this bill because it is going too far in asking for powers to hold referendums. If the hon. member had read the bill on that 14-hour flight from Tokyo to Bangkok to India, he would have seen that the government could not hold a referendum without asking parliament to approve the motion and to provide for 40 hours of debate.

Again, it is a reflection of the Conservative party's stand on this issue to only attack the government. The important thing to this party on any aspect regarding the constitution of Canada or national unity is not to take a position and say, "We believe in this", but to attack the government or the Prime Minister (Mr. Trudeau). If there is one thing that has been consistent with the Conservative party's position in the eleven years that I have been in this House, particularly since the election of the Parti Québécois, it is that which was stated very clearly by their former leader, the hon. member for Halifax (Mr. Stanfield)—whom I respect—when he spoke in the debate on national unity last year. He said, in effect, that to trust this government or to trust the Prime Minister with doing anything on national unity is like asking an arsonist to put out the fire.

● (1640)

Some hon. Members: Hear, hear!

An hon. Member: A great speech!

Mr. Breau: I am glad that hon. members opposite applaud because they help make my point. That is their position again.

Anybody who thinks that by trying to redress what some people perceive as historical injustices in this country, anyone who believes you are going to do this without having tension, does not understand the nature of these injustices and these perceptions.

[*Translation*]

Mr. Speaker, this is true.

Mr. Alexander: How long have you been in power?

[*English*]

Mr. Breau: We have been in power for quite a while.

Mr. Alexander: That is the problem.

Mr. Breau: The hon. member for Hamilton West (Mr. Alexander) says that is the problem. I happen to think that is another reason for the problems and tension in Canada.

[*Translation*]

If there are tensions in Canada it is precisely because the government in power and its members have decided to work at the national level to try and correct what some people consider as historical injustices in Canada.

Mr. Speaker, if the Leader of the Opposition and the former leader of the Progressive Conservative Party as well as the hon. member for Hamilton West (Mr. Alexander) think that the situation can be corrected in Canada and Canada can become united without going through tensions, they are naive. But I dare believe they are not only naive and they know that this prime minister, this government, have tried precisely to correct things in Canada. They tried to do that with the bilingualism policy. There are some who say they agree in principle with bilingualism, they support that principle, but then question everything from A to Z to satisfy those in Canada who are unduly preoccupied with the French fact in Canada.

As a result, there are further tensions. So, Mr. Speaker, to claim, as the Progressive Conservative party does—

An hon. Member: Jack Horner!

Mr. Breau: The Progressive Conservative party attacks the government on every statement, on every proposal made with regard to national unity. They say: They were the ones in power, they should have settled that. Well, Mr. Speaker, you cannot correct the situation in Canada. You cannot answer those who are convinced that there have been historical injustices in this country. You cannot answer those who might be influenced by others who want to isolate Francophones in Canada without going through a period of tensions. What I say to members opposite is that they can oppose the government on philosophies, on approaches to the constitutional issue. But they should at least be wise enough to understand instead of constantly lashing at government ministers for the only reason there have been tensions in Canada under this government. Tensions are unavoidable if we are to correct the situation.

Mr. Speaker, the Progressive Conservatives find it difficult to take a position on constitutional matters and the issue of national unity. Of course, they find it easier to simply lash at the government with constant references, as we heard this afternoon from the opposition leader, to suspicions that the government raises the issue for political gains only.

Mr. Speaker, it is quite possible that to discuss national unity and constitutional matters is to the advantage of the Liberal party. That may be. But we are not doing it simply because it benefits the Liberal party. It is not simply because we have a history and understanding of national unity in this country that each and every proposal or suggestion we make should be automatically rejected by the Progressive Conservative party. In so doing, they show how weak, how incapable they are of taking clear positions on these matters.

Today, we heard the Progressive Conservative leader criticize the government's constitutional approach. He suggested that holding a referendum on our constitutional future might harm minorities. I myself come from a minority group—however, I dislike that term "minority" because it has other connotations—I am a member of the French-speaking community outside Quebec. A study and analysis of what went on on that issue, especially this last year or these past eighteen months, have shown me that the approach taken by the Canadian government and the holding of a national referendum would not harm minorities. Quite the contrary! Did the Leader of the Opposition not hear some premiers during the last constitutional conference object to the entrenchment of language rights in the constitution? Does he not think that at one point—and it becomes important to deal with various perceptions of justice—it would be important for the government to hold a referendum on that question as to whether linguistic rights should be entrenched in the constitution?

Mr. Speaker, either the Leader of the Opposition has not read the bill under study or he does not understand what the minorities in Canada are looking for. I can certainly tell him that one thing the French-speaking minority is looking for is a reform of the political system, a reform of our political institutions through reasonable means.

Mr. Speaker, we must also correct the imbalance which lies in the present constitution whereby under section 133 the English Canadians in Quebec have written rights in that province that French Canadians do not have in other provinces.

Mr. Speaker, our purpose is not to assess what a provincial government does or does not do for the French-speaking community in the province, be it today, next week or in six months' time. But we have to solve once and for all what people perceive as an injustice in the constitutional and political history of our country. I know what it is, Mr. Speaker. But for those of us who must go back to their ridings and try and

convince those French-speaking Canadians who wish to isolate themselves, be it in Quebec or elsewhere—because French-speaking Canadians wishing to isolate themselves in their culture and language are not all in the province of Quebec—this is a very important issue.

There are people like that everywhere; there are some in my province, and it is not easy for us to go to them and try to convince them that Canada has been able to cope with the political situation in the country when we cannot even say that we shall be able to include in the constitution the language rights of the French-speaking Canadians, the same rights the English-speaking Canadians have in Quebec under section 133.

Today, the Leader of the Opposition failed to tell us clearly whether that was his party's policy. He did not say a word about that. No, Mr. Speaker, he does not even care to see his party come up with a clear position on matters relating to the constitution and national unity. I wonder why. Is it possible that the Leader of the Progressive Conservative party does not know that in Canada there are people who are overconcerned about the French fact? Some people are overconcerned about that. But there are other people whose concern for ensuring the advancement of French-speaking Canadians, for providing equal opportunities for French-speaking Canadians in Canada can be questioned.

Mr. Speaker, is it possible that such people are merely trying to pass judgment on this government only on that issue?

[*English*]

I am not suggesting any of the Conservative members are doing that, but is it possible that they do not realize there are people in this country who are overly preoccupied with the French fact? If so, let them come to my province and listen to the way politics are discussed there. That does not concern me very much because to some extent I find it natural. For a period of ten or thirteen or fourteen or fifteen years in this country there has been an attempt to redress things, an attempt by governments, with the advent of bilingualism in the civil service and with some advancement of bilingualism in Canada, to do something about that. I do not find that so irritating and depressing that some people may want to oppose that. In fact, in my province there has been quite a reaction to the advancement of Acadians, and of Acadian institutions. I do not lose my cool just because of that.

● (1650)

I say to hon. members that all they do is attack the government for presenting exactly what it is they want to do to the Canadian people. The Conservative party voted for the Official Languages Act, and they voted again in 1973 when we had a motion to amend it, and I appreciate that.

An hon. Member: Only Jack Horner did.

Mr. Breau: When we talk about national unity, the constitution and about the urgency of having constitutional reform in this country, I would like the Conservative party to state clearly where they stand.

[*Translation*]

Mr. Speaker, in my opinion the bill we are dealing with is one of the most important to come before the House in quite a long time. As a matter of fact, Bill C-9 is a major part of the response which the government of Canada is giving to the crisis which exists in Canada since November 15, 1976. The second part of this response is the constitutional debate which has taken a new turn following the introduction in June 1978 of a government bill dealing with constitutional amendments. The purpose of that bill was to start discussions and provoke a debate both within our parliamentary institutions and elsewhere in Canada.

This bill has truly given rise to a good debate, and I think it has compelled our politicians and encouraged all Canadians to become aware of this issue. On the day which followed the election of the Parti Québécois in the province of Quebec, I urged the government to hold a referendum or an election, and to provide Quebeckers with a democratic means to indicate their intentions as to the future of our country. If I suggested that at the time, it was for a very simple reason. The political context of such a referendum is extremely important, I would even say crucial. I felt that obviously the PQ would stage the referendum campaign in a style that would create controversy. Well, that is exactly what has happened. That is exactly what is happening.

Mr. Speaker, I think that all Canadians, all those who wish to keep our country together should rejoice and approve a bill which asks parliament to incorporate in our statutes a legal means to hold a federal referendum on constitutional issues when the need arises, be it before, during or after the Quebec referendum. The important thing is that the situation has changed. The opposition leader speaks of British traditions, of the necessity to settle this question among politicians, among federal and provincial parliamentarians. He speaks, Mr. Speaker, naively, irresponsibly, as if the people in power in Quebec are good people, people who will put the question clearly and honestly when the referendum is held. How naive can one be! Whoever understands that René Lévesque and the Parti Québécois are using Quebec nationalism as a vehicle for politics, as a political tool, cannot speak that way, Mr. Speaker. Whoever understands that must be aware that René Lévesque and the Parti Québécois are now telling the rest of Canada: Meet our terms or we go. That is blackmail, Mr. Speaker.

The Leader of the Opposition (Mr. Clark) claims this government is resorting to blackmail. All of Canada is being threatened with blackmail by people who would split the country. When the Leader of the Opposition speaks of our diversity, of its strength, of the importance of respecting our diversity, I agree with him. I too appreciate the diversity of Canada, but not to the extent of destroying Canada. The

leader does not know his history, Mr. Speaker. Let him go back 3,000 years before Christ, to the days of the Sumerians and Akkadians—Akkadians with a double "k", in the country of Akkad—what destroyed those civilizations after hundreds of years, almost 1,000 years? What caused their destruction, Mr. Speaker? The lack of autonomy of their city-states. Those city-states, through which the aspirations of the people could be represented locally; those civilizations simply wanted to respect the diversity of their civilization; after 700 years, the Sumerian civilization collapsed simply because there was no central power.

Naturally, I respect the diversity of Canada, but I shall not do so when there is someone in power in one of the provinces, one of the most important in Canada, which represents about one fourth of the population in Canada, who says: I am going to use the diversity of Canada to destroy it. Mr. Speaker, that is what is going on in Quebec, and when we say we want to have a federal referendum, it is because we want to make sure that both the question and the answer, the question put by the referendum and the answer given to it by Quebeckers, are very clear, and that everyone understands them.

I must once again ask this question: Why is the Leader of the Opposition, deceiving the people on such an important matter by saying that we want the power to hold a referendum on anything he says "anything under the sun"—when the bill clearly states that it is for constitutional matters, that before holding a referendum, the government will have to go before parliament with only 40 hours of debate in the House of Commons. I wonder why the Leader of the Opposition resorts to such distortions especially in a debate as important as this one on the future of Canada. Is it because he meets people who oppose this government, only because it so happens that this government has quite simply decided 10 or 15 years ago to try and correct some historical injustices, Mr. Speaker. I wonder why the Progressive Conservative party and its leader do not come out with a clear position on this and why, when he criticizes the bill, he skirts the truth. I wonder!

As I was saying earlier, a constitutional reform is a significant element of the federal government's answer to the Quebec situation. It is indeed because even though we can say no to the government of Quebec, we cannot say no to Quebeckers. We must provide Quebeckers with an alternative, we must tell them that our political institutions in Canada can be altered so that Canada's French-speaking citizens, in Quebec and elsewhere, can really become full-fledged citizens. That is what must be done, Mr. Speaker. And I must admit that I find it difficult to control my temper because I seldom get emotional on political matters. I can play the political game, however, when we are talking about the future of the country, it is a little different. And it is hard for me not to blow up when I hear people inside and outside the House say that the government gives too much importance to the constitutional reform and national unity issues.

Mr. Munro (Esquimalt-Saanich): That is true.

Mr. Breau: I am happy to see the hon. member for Esquimalt-Saanich (Mr. Munro) confirm what I think, that there were—

Mr. Boulanger: You are also free to protest in your province.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for York-Simcoe (Mr. Stevens)—The Canadian Economy—"The Road Ahead" circulated by former minister of finance; the hon. member for Thunder Bay (Mr. Penner)—Canadian Broadcasting Corporation—Radio and television services in English and French; the hon. member for Brant (Mr. Blackburn)—Labour Conditions—Monitoring of and compensation for workers exposed to asbestos hazards.

● (1700)

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Turner): It being five o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions and public bills.

Is it agreed that item No. 7 and item No. 9 stand with unanimous consent?

Some hon. Members: Agreed.

* * *

TRANSPORT

PROPOSED ESTABLISHMENT OF MERCHANT MARINE

Mr. Eudore Allard (Rimouski) moved:

That, in the opinion of this House, the government should consider the advisability of drawing up a national navigation policy, the prime objective of which would be to lay a favourable groundwork for the setting up of a true Canadian merchant marine.

[*Translation*]

Mr. Allard: Mr. Speaker, I want to thank the hon. member for Winnipeg North Centre (Mr. Knowles) for seconding this motion, as well as members on the government side who will no doubt support it.

It gives me great pleasure to submit to the House at this time this sensitive issue of a Canadian merchant marine. Over the last few years there have been significant developments in Canada in the area of transportation. As early as 1975, a national transportation policy proposal was put forth by the then minister and member for Langelier, Mr. Marchand. That was followed by the creation of VIA Rail, the passage of the Maritime Code and the coasting trade legislation. Many of us saw the Maritime Code and the coasting trade legislation as the first steps towards the establishment of a Canadian merchant marine.

However, we are now in 1979 and this has not yet materialized. Nothing concrete has been done to revive the merchant marine that we had even before the first and second world wars. Through lack of concern, our successive governments have let the situation deteriorate to such an extent that things could not be worse. We have all the human, technological and material resources at our disposal to establish a merchant marine, yet no action is being taken.

Need I remind the House that at the beginning of this century Canada's merchant fleet ranked fourth in the world? But year after year it slipped back compared to those of other industrialized countries. Of course, at that time the government did not see fit to intervene directly. By 1944, reports were submitted which showed, among other things, that the private sector was not much interested in the operation of a merchant marine and that grants were essential. Yet no positive action was taken and we started to sell our ships at the end of the last world war. In 1958 we still had a Crown corporation, the Canadian National Steamship Company, which still operated a dozen of ships, all of which were abandoned that same year. Now, 20 years later, we are still at the same point, and that is unbelievable.

I would like at this time, Mr. Speaker, to quote some figures in order to throw some light on the situation of the international maritime traffic in our waters. The most recent figures are for the month of April 1978. During that one-month period, we had 1,720 arrivals of ships carrying close to five million short tons of freight, and the same number of departures of ships carrying 8.8 million short tons of freight. The potential is there, nobody can deny it. Yet, according to an OECD study published in 1976, our country ranked last among OECD countries, on the same level as Switzerland and Germany, two countries which have no littoral. That is quite an honour, Mr. Speaker.

For instance, according to Statistics Canada, in 1976, 200 freighters were loaded in Canadian ports with goods to be shipped to the United Kingdom, and out of those 200 freighters, only two were Canadian registered. It is likely that it was the same ship. The most common registration countries are Denmark, Norway, Liberia, Panama, Greece, Germany, the United Kingdom and Russia. According to the latest studies, that last country has made tremendous progress recently and is already almost monopolizing maritime traffic throughout the world. Indeed, since the last war the U.S.S.R. has increased its merchant marine threefold or fivefold, to the extent that it is now in position to assume definite control over the huge potential of transport tenders by merchant marine. Conditions are about the same for the transport of goods from the United Kingdom to Canada. I could also mention that in the case of Belgium and Luxemburg, of 100 ships travelling from those countries to Canada, only one alone was flying the Canadian colours and finally in the case of France, only one of 150 ships carried the Canadian flag.

In reply to question No. 79 put on the order paper by the hon. member for Bellechasse (Mr. Lambert), the Minister of Transport answered that only three ships of Canadian registry are doing some trade abroad, not taking into consideration of course the boats on the Great Lakes. In 1960, there were 18; in 1950, 88; in 1945, 173. Of our three ships, only one is anchored in Quebec City and it is the *Edgar Jourdain* which belongs to Mr. Jules Jourdain of Rimouski who feels rightly that the Canadian maritime policy is prejudicial to him. This man deserves our admiration because he persists in spite of everything in hoisting the Canadian flag on his ships which is one of the very few which are plying the seas around the world. Ships hoisting convenience flags in our waters are twice as numerous as they were two years ago, in spite of their low security standards. Indeed many of those boats and oilers have been shipwrecked and the crews of those ships of course are made up of foreigners and that does little for employment in Canada.

• (1710)

Just imagine that, CIDA, an agency of the Canadian government, manages to find and send experts to Algeria to build a merchant marine in that country. I imagine it should not be too hard for the Algerians to outstrip us in this area. Flags of convenience have become a real plague. Some conventions and policies proposed or already applied in some countries have rid them of this plague. The UN has set up a maritime code providing that 80 per cent of the shipping between two countries should be done by vessels flying the flag of one or the other country, which leaves 20 per cent of the shipping to vessels flying other flags. But this convention has not been ratified by all trading nations. However, it indicates that there is a seemingly irreversible trend toward the protection of national interests in international shipping.

While many countries are combining money and efforts to build their merchant marine, our own government is moving at a snail's pace or not at all. We are really missing the boat, it is time to say. Even in the United States where 65 per cent of

shipping operations are carried out by vessels flying a flag of convenience, they have given thought to the establishment of an American merchant marine with a minimum quota for export-import shipping so that American sailors would have job opportunities rather than those from Hong Kong, Malaysia or other countries. With our potential, we only have to pluck up our courage and invest in setting up a merchant marine of our own.

In 1976, a project raised many hopes. It was the proposed construction of the *M. V. Arctic*. This ship was designed by a Montreal firm. Its construction was undertaken in the shipbuilding yard of Port Weller, Ontario, at a cost of $40 million. Three shipbuilding companies formed a consortium and, with federal government support, paved the way for the creation of a national merchant marine, and even if we had to call on technological expertise from abroad, even so this ship was nevertheless designed entirely in Canada and she was built in our own shipyards.

Mr. Speaker, that is really the first joint effort by the Canadian shipbuilding industry and the federal government. In an article published in *La Presse* on Friday, October 22, 1976, one could read this:

> If the pilot project succeeds, the government intends to constitute a first nucleus of a national merchant marine with ten such vessels.

A few months earlier, on June 14, 1976, the vice-chairman of Canada Steamship Lines, Mr. Arthur Nightingale, stated at a seminar on transportation:

> It is now economically possible to create a Canadian merchant marine regardless of any considerations of security and national sovereignty.

In spite of all his moderation and his carefulness, Mr. Darling had this to state in his report in 1974, and I quote:

> It is obvious that the answer will not be the immediate creation and operation of a fleet under Canadian flag. But conditions are changing and it may be not only possible but also necessary that ships flying the Canadian flag operate within the international shipping community.

Mr. Darling had other comments to make which are still more to the point today. He noted that the companies that stood better in the international shipping community were those which were supported by their government, and I quote:

> That means progressive penetration of nationalized or state-supported shipping companies will some day change considerably the competitive aspects in that industry.

On the question of costs, manpower, capital, expertise and shipyards we are just as advanced, Mr. Speaker, as our major trading partners. They are making increased efforts to develop their national fleets while we still only have an embryo which is far from being born, unfortunately. Following the release by the Minister of Transport of the report on our shipping policy in January, 1979, I wonder whether it is not more appropriate to talk of an abortion rather than a birth. Indeed, that report does not contain anything new and only maintains a *status quo* that has lasted long enough. The government refuses to recognize the need for new tax incentives.

The minister's release is a big disappointment. This is a time for action to use one of the prime minister's favorite slogans. This is a time for action, Mr. Speaker, with respect to the formulation and the implementation of a real policy for the construction of a merchant marine in this country. The time has come and we have every reason to believe that in the future under bilateral agreements our partners will want to transport a percentage of our goods shipped abroad. If such is the case we will be in a very bad way. Without a fleet we will not be able to get reciprocity under such agreements. In 1974, we spent $2.7 billion to ship goods abroad. The greater part of that amount went to foreign shipping companies and their governments naturally which levy taxes. If one considers that shipping costs cannot be stable under the present economic conditions this will place our economy and our balance of payments in a shaky position.

In June, 1976, Canada Steamship Lines announced it was acquiring three merchant ships, and despite the good will of the company, it was regretfully announced that these ships would have to sail under a foreign flag. The vice-president of that company, whom I quoted earlier, explained the decision this way:

> We waited in vain for 16 months for the federal government to take steps in line with the recommendations of the Darling report, and then we decided to go ahead.

Mr. Speaker, how can we explain then that Canadian ship owners cannot find here benefits comparable to those we are offering to foreign countries through the Export Development Corporation? In his report, Darling was referring to this and I quote:

> Canadian companies flying foreign flags would not be prepared to change flag unless they were given the opportunity to make as much profit.

And further:

> It is estimated that Canadian companies should be entitled to the credit of the Export Development Corporation at the same conditions as the ones offered to foreign companies buying Canadian vessels.

What Canadian companies want, Mr. Speaker, is just to get the same treatment as the one given to foreign competitors. At that point, a very specific recommendation from the Darling Report comes in, namely unification of responsibilities and the establishment of an authority with powers proportional to the various goals established to meet the needs of a merchant marine policy which should have as its first objective the establishment of a merchant marine in the country as it has been specified in my motion which is now under discussion. Our government keeps on thinking that the merchant marine is a sector as any other. It is a rare case, Mr. Speaker, in the club of industrialized nations. We have no specialized administration for all questions concerning international navigation. This lack of policy and this indecision are not to our credit. I have the impression that the government watches our merchant marine as one would watch somebody on his death bed. The problem of the merchant marine cannot be considered within the general scope of a transport policy. It is a specific problem which needs specific solutions.

● (1720)

Mr. Raynald Guay (Lévis): Mr. Speaker, first I want to thank the hon. member for Rimouski (Mr. Allard) for having presented this motion which has been coming back before the

House for over 15 years. Year after year I come back asking the government to take a clear and well-defined position with regard to the Canadian merchant marine. Mr. Speaker, as one can see on the order paper, I too have a motion which I will eventually have to withdraw because it no longer responds to current needs. I am asking the government to implement the recommendations contained in the Darling report.

While strongly supporting the hon. member for Rimouski, I think that the government has followed the recommendations and the strong representations which I made and repeated on many occasions with the support of several members of this House, from both sides of the House and from all political parties.

I have been saying, as reported in *Le Peuple* of Wednesday, February 12, 1975, some four years ago:

A solution must be found to this issue . . .

I was giving an explanation in this article because it had reported one of the many speeches I made in the House concerning a Canadian merchant marine and it had recommended that the government should take a position.

I would first like to mention all the positive aspects of "A Shipping Policy for Canada" published by the Department of Transport under the authority of the Minister of Transport, Mr. Otto Lang. I come directly to the conclusions, Mr. Speaker, in order to say something positive to this House because it has been criticized in various speeches and as I have myself criticized the government for I wanted it to be constructive.

I think the hon. member for Rimouski should have seen some good things in this report, even though he thinks that it brings nothing new and that the government does not seem to be prepared to do anything. I think that all the debates we have had in the House lead to a recognition which is very important for the future of a Canadian merchant marine.

I would like to read from page 51 of the English version of this report which was published on January 24, 1979. The report says:

With respect to Arctic shipping, the government intends that, as a condition of approval to export unprocessed or partially processed resources, Canadian registered vessels must be used if they are available at reasonable cost. The government is also prepared to consider, on their merits and on an ad hoc basis, substantiated requests for assistance related to the use of ships both registered and built in Canada for use in the Arctic.

And this is a big step the government has just made. I will come back to this later on in the course of my review. It must be acknowledged, however, that the government wants to proceed with this issue. Indeed, it is stated on page 3 of the release issued by the government at the time the report was published:

The government finally concludes it would be appropriate to require for exportation . . .

And I find also on the subject of

. . . the Arctic

But still, with respect to the ships we need for the Canadian merchant marine, it is stated under options 3 and 4, that if there are changes in methods, if some countries want to go ahead at our expense either by forming groups against assistance or costs or by applying costs that could become prohibitive for the transportation of our export goods, the government would be ready to revise those policies at any time and put an end to that, and consideration must first be given to the national interests on policy matters concerning an ocean-going merchant fleet. This is all very good, and I will come back to this later. There is also a matter of savings.

Last week, I was allowed to ask a question of the Minister of Industry, Trade and Commerce (Mr. Horner). I asked him:

In view of the uncertainty which prevails regarding the future of Canada's shipbuilding industry and, in view of the many representations I have received from union spokesmen and shipyard officials, I would like to know if the government has made a decision concerning the 20 per cent subsidy to help shipbuilding in Canada and make us more competitive on the international market? If so . . .

And I concluded: I would like to know for how long? Because a number of concerned people, and I see here the hon. member for Esquimalt-Saanich (Mr. Munro), who probably will take part in this debate, a number of people know that no later then tomorrow the 20 per cent subsidy on shipbuilding will be terminated, according to recent statements made by the government. But the Minister of Industry, Trade and Commerce stated the following in answer to my question, as reported on page 2546 of the *Hansard* of June 25, 1979:

Mr. Speaker, we have done a considerable amount of work on the drafting of a new shipbuilding policy. The Board of Economic Development Ministers and the President of the Board of Economic Development Ministers want to make a comprehensive statement on the whole subject, possibly next Thursday.

That is to say—

Mr. Boulanger: That was January 25 and not June 25.

Mr. Guay: Pardon me. I thank the hon. member for Mercier (Mr. Boulanger) for that correction. Then it was January 25, 1979, only last week.

I anticipated a positive answer without knowing what the minister responsible for the economy, the President of the Board of Economic Development Ministers (Mr. Andras) will announce this week, on Thursday. I am sure the government will answer in a positive way in view of the pressure exerted by the Quebec caucus as this issue is causing some uneasiness as concerns the future of shipbuilding in our country, and all shipyards have been in touch with me, Mr. Speaker. It is also important in the province of Quebec. We have been most insistent, and I hope that in all that debate shipping shall not be the only topic to be discussed as surely I must admit that we made a big step by granting exclusiveness in the Arctic and, with the support of all honourable members, I urgently ask the minister to extend, not on a mere quarterly basis, the shipbuilding policy or the 20 per cent subsidy, but once and for all, for an indefinite period.

● (1730)

We need this subsidy for the future of the Canadian shipyards. Let us look, Mr. Speaker, at recent newspaper head-

lines, and I would like to quote something that appeared quite recently, on January 23, in the newspaper *La Presse:*

Crisis—

—this appeared on January 23, 1979 in *La Presse* under the title:

HEAVY INDUSTRY:

Crisis in shipbuilding;

This article discussed in particular the future of the shipyards, and especially of the Davie Shipbuilding in Lauzon, which is involved in shipbuilding for 70 per cent of its operations. The article said that if the government did not restore or permanently maintain the subsidy so that, as I said earlier, Canada can remain competitive internationally in the area of shipbuilding and conversion—I must recognize that while some people say that the government has not acted in this area, this subsidy was maintained by the hon. Jean-Luc Pepin and was extended by the hon. Jean Chrétien when he was Minister of Industry, Trade and Commerce, and was even amended because this 20 per cent subsidy previously applied only to shipbuilding and was extended to the conversion or modernization of Canadian ships and ships used for exports.

Mr. Speaker, I have here another newspaper. On a recent trip, I bought the November 25, 1978 issue of *L'Express Information.* On page 47 of the economic section, there was an article entitled:

The collapse of shipbuilding

It is true, Mr. Speaker, that the future of our shipyards is a cause for concern if the government does not take some action. I cannot wait till Thursday and I shall be the first to applaud at anything that the government can do for an industry which is extremely important not only from an historical point of view, as the hon. member for Rimouski (Mr. Allard) pointed out earlier, but also from an economic point of view and as regards the equipment needed on these ships. Indeed, we must not consider only the shipbuilding industry but also everything that it means for the secondary industry, all the supplies, all the subcontracts that the shipyards can let out when they are awarded important contracts, and most important, 80 per cent—I was even going to say 90 per cent, but I do not want to start an argument on figures—but our shipyards have been relying on government policies for their survival not only with respect to orders but also to incentives for shipbuilding, and it is truly essential for the future of this industry which is so important and deteriorating.

When I received a press release from the Canadian Shipbuilding and Ship Repairing Association, I was quite pleased with the conclusions of this letter which was addressed to me and which expressed the association's concern. One could read in *L'Express Information* that before 1982, something which should certainly be a cause for great concern throughout the world, shipyards will be forced to close down. And such will be the case of our own shipyards too. We are not any wiser than the people in Europe where shipyards date back nearly a thousand years. Our own yards are hardly a few hundred years old. We also will be faced with this tragedy unless the government acts and acts promptly. I was therefore very happy to see that the government had given some thought to the matter. The Minister of Industry, Trade and Commerce told me last Thursday that the cabinet had looked into the problem as a result of the numerous representations I have been making for too long.

That is why I am pleased to see that the hon. member for Rimouski (Mr. Allard) and other members are now concerned with the merchant marine. I am pleased to get their support, perhaps because we begin to have glimmers of hope, except for a few Conservative members and a few also on this side. We were a handful of members who believed that Canada could provide itself partially with a merchant marine, and I do hope that in the long run we shall have our own ocean merchant marine we can be proud of.

The Canadian Shipbuilding Association said the following in that letter they sent me: The long-term prospects in that area are excellent. The government will ensure that its fishing boats are replaced in the next five or ten years. We also expect to invest close to $1.5 billion in the building of six frigates to renew our merchant marine fleet for the marine department. We do know that this is a long-term policy, that there cannot be any immediate effects on shipbuilding. The government also intends to spend over $2 million on equipment, assistance and supplies of every description to develop Arctic resources. And I am convinced that a major part of those $2 million will be used, as the report signed by the Minister of Transport suggests, to transport our abundant natural resources in the Arctic.

So, Mr. Speaker, I too remain still concerned, at least until next Thursday, and if one wants to make an effort and still remain positive in all this matter, you will admit we made a big step. If the government can say that in an indefinite and unlimited way the subsidy will be maintained, as long as that subsidy of 20 per cent to assist the shipbuilding industry is amended, until we have really found the way in the short run to help the shipbuilding industry in Canada because we saw in the case of Marine Industries Limited what the government of Quebec has to do for that industry. And in that respect, Mr. Speaker, in a future debate I would like indeed to talk about the promises of a government in power. I do not want to enter the debate on the merchant fleet on that issue but I believe that those who will be my opponents and those who will have to fight the referendum in the riding of Lévis and in the 16 ridings in and around Quebec City will have to answer very important questions with respect to the assistance to the shipbuilding industry, particularly when we know what they did; they awarded two contracts against a very firm recommendation to Marine Industries Limited when all recommendations said that contract should go to Davie Shipbuilding, for advantages not only as far as manpower is concerned but also for economic advantages.

Mr. Speaker, reporters, members in the Quebec City area are very saddened by what happened. But I am not provincially elected, I am federally elected, and I believe that more

than ever the people of Davie Shipbuilding at home, the people in the shipyards across Canada are beginning to recognize what we did and the debate we carried on with the support, that I carried on, I would say, with the support of a few members in this House today, is bearing fruit, and I am glad because we are going to reap them not only to the advantage of the hon. member for Lévis. After 16 years, I believe I planted, as the popular saying goes, other seeds that bore fruit. That one took more time to grow but I think it is there and it is there to stay.

So, the government is doing something, contrary to what the hon. member for Rimouski has said, claiming that the *status quo* is being maintained, that things are at a standstill, that the government does not budge. I know the hon. member has been away from the House for a while due to illness. I am very happy to see that he is well again and I welcome him to the House. But to my mind, the first thing he should do is read in its entirety the report we published last week, because it points out critical aspects of the situation and, indeed, it makes positive suggestions. On that topic, I have always tried to be positive, Mr. Speaker, because when one is negative in a debate, one obtains nothing; nothing worth-while comes out of it.

Mr. Speaker, I feel the efforts I have made in this House have borne fruit. But they must be followed up. That report must not become just one amongst all the others. As some will notice, those who are listening to this debate, I avoided repeating my speech and shall not repeat it, because for me only one thing counts in this debate on our merchant marine: not the Darling report, not the mountains of other reports we have had, not all the studies and surveys we have made, but this report that can be criticized. Indeed, I should like to deal with it when I have more time, because this debate does not end today; we must come back to it, or at least to my motion, at which time I can continue—

● (1740)

[*English*]

The Acting Speaker (Mr. Turner): Order please. I regret to inform the hon. member that his allotted time has expired.

Mr. Donald W. Munro (Esquimalt-Saanich): Like the hon. member for Lévis (Mr. Guay), I am delighted that the hon. member for Rimouski (Mr. Allard) has put a resolution of this sort on the order paper. I support it wholeheartedly. We have heard the hon. member for Lévis on more than one occasion, as he has heard the hon. member for Esquimalt-Saanich, the hon. member for Rimouski and the hon. member for Carleton-Charlotte (Mr. McCain), as well as many others on both sides of the House, speak in support of the proposition that Canada should have a merchant marine.

Perhaps I may be permitted to be a little critical, Mr. Speaker. The hon. member suggested that when we are critical we do not get what we want, that we should really go along with this government, accepting its little favours and be happy. Of course that is the paternal attitude of this government, that we should just take what it gives us.

[Mr. Guay.]

I noted in the report published and distributed last week the minister said that for the movement of processed and partially processed goods for export from the Arctic every measure will be taken to ensure that they are carried on Canadian flag vessels. That is good and fine, and it is progress, but what progress! It is very slow. We have been addressing ourselves to this problem for years, it seems to me—at least six years to my knowledge, and the hon. member for Lévis has said that for 15 years he has been working on the government and has only got this far. That is fine, but there is a puzzling paragraph in this particular report TP-1676 published last week in respect of a shipping policy for Canada, which I should like to quote.

At page 51 there are two quotations in respect of policy that I should like to put on the record. They both puzzle me. I do not know whether in the time allotted we will obtain any clarification. The first part states:

> After full consideration of all of the factors involved, the government has concluded that, in the present circumstances achievement of these objectives does not warrant the provision of new tax or financial measures to support the development of a Canadian deep-sea merchant marine.

The objectives there refer to a Canadian flag fleet.

This is an admission that all the work done by the hon. member for Lévis, except in respect of the Arctic, has gone unheeded by the government.

The second column on this same page 51 contains an extraordinary statement which I just do not understand at all. Perhaps someone will shed some light on it. It states:

> The government intends to proceed with legislation to give it broad powers to obtain information and to act where Canadian shipping interests are threatened by the actions of a foreign government or carrier.

I suppose that is fair enough, but it goes on to

> Legislation would include the power to permit the designation of "Canadian shipping lines", including companies located in Canada but not operating vessels under Canadian registry, to enable the government to respond to the requirements of a number of developing countries.

What sort of gobbledygook is this? We are going to have designated Canadian shipping lines. Under what flag are they to be operating, Panamanian or Peruvian? This government has to be out of its mind to come out with nonsense like that. Why does this government not provide some means for accomplishing the objective?

There are a number of means the government could adopt, three of which come to mind easily, to assist in the construction of Canadian vessels in Canadian yards for the creation of a Canadian merchant marine. The first means, of course, is through outright subsidy. I do not know what the Thursday declaration will be, but I hope, like the hon. member for Lévis, the government will not cut back on this subsidy.

There is the second means, namely, tax incentives to those who are prepared to raise the capital for construction. That is the basis of the question I posed on January 25 in a supplement to a question raised by the hon. member for Lévis.

The third method is one that is open to every other country in the world but not to Canadians, and that is the use of Canadian funds from the Export Development Corporation. Why is that the situation? We have built 51 ships within the

last four of five years for Greece, France, the United Kingdom, the Bahamas, Cuba, and Bermuda, and we have built them under the provisions of the Export Development Corporation. We have spent over $500 million in this regard, but we have not built one through that method, the Export Development Corporation, for a Canadian carrier. I wonder why is that. This is a misuse of Canadian funds. Why should Canadian corporations not have at their disposal the same facilities available to these other countries such as Cuba? Why should they not be able to get low interest credit and insurance coverage to guarantee loans? That is one of the methods used by the Export Development Corporation, the guaranteeing of loans.

When I was at home at Christmastime an enterprising man from the area who is interested in shipping came to me and said, "If I had a guarantee I could raise the money to obtain a small Canadian flag vessel, then perhaps another vessel, and then another." Unfortunately at this particular stage he is talking about buying vessels that are now afloat. That will not help our shipbuilding industry, I grant you, but once an individual gets started there is no end to it. It will grow, and before long we will be building our own ships. This was a very enterprising man and I listened to him carefully. He asked why the government would not guarantee a bank loan so he could buy a ship. He actually had Canadian cargoes for these ships.

Speaking of Canadian cargoes, I found some of the figures given in this particular study confusing. Am I to believe that imports into Canada, as described in the table at page 15 of this report, are brought into Canada on Canadian flag vessels to the extent of 47 per cent? I just cannot believe that. There are not that many Canadian flag vessels available.

On page 15 of the English version of this report under exports it is claimed that 21 per cent is carried on Canadian flag vessels. I have gone past Roberts Bank more times than I care to count and have seen Canadian coal piled ship high beyond the funnels for shipment to Japan, but I have not seen a single Canadian flag vessel carrying that coal. That coal is carried by Japanese vessels, which in turn bring back the steel processed by the use of that coal, some of that steel with four wheels and a steering wheel attached. This is our coal, and much of that is our steel from the British Columbia islands. It is all carried in foreign bottoms. We would certainly be able to carry the goods in Canadian bottoms if the matter of guaranteeing a bank loan for the construction of Canadian vessels were looked at carefully. I find that particular table very deceiving.

● (1750)

The table on page 44, also in the English version, mentions the route description and the export/import commodity. It brings us right back to the coal I mentioned which was being carried from Roberts Bank to Japan. Coal is carried to Japan and the ships come back empty. We import a great deal from Japan. Why do we not carry the coal in Canadian bottoms and bring back the cars and the televisions, if that is what we are importing from Japan? That table on page 44 is a disgrace, and should not be included in a study of this sort.

The hon. member may be content with what this government has done to ensure as much as possible and at reasonable cost, the carriage of Arctic resources. His minister has sold him a bag of garbage. It is not a guarantee that all our imports and exports into the Arctic will be carried on Canadian vessels. That report is a great deception and letdown after the Darling report, which has been urging the creation of a merchant marine. There are other reports, such as the Audette report, and the situation goes back longer than either of us can probably remember.

I understand that we have guarantees from some of the labour unions for "X" number of years that there be a no-strike clause in the contract, because that is one of the things which destroyed our merchant marine after the war.

I know there are other members who will want to speak on this subject. Once again I would like to thank the hon. member for Rimouski for bringing this matter forward. This government does not have the time to create a policy on this matter, but there is one being developed. I can assure hon. members of that, but they will have to wait for the results of the election to see it.

[*Translation*]

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I should like to join the previous speakers to thank the member for Rimouski (Mr. Allard) who was the mover of the motion today. I think it is an excellent opportunity to do so, since Canadian policy on maritime transport was made public last week. I also take this opportunity, Mr. Speaker, to welcome him back after his illness and assure him we are ready to cross swords in a friendly way as usual.

As for his comments, Mr. Speaker, as my colleague for Lévis (Mr. Guay) has pointed out, I think he should have paid more attention to the report recommendations with respect to a Canadian policy on maritime transport, because it is far from advocating the *status quo* and I believe, for example, that restricting the shipping of resources from or to Northern Canada to Canadian ships is a major step in the right direction.

The hon. member for Lévis, as usual when the subject especially concerns him, made an impassioned speech, and I would like to say on behalf of all my colleagues, that he has shown great perseverance in his long and useful career as a member of parliament in bringing up a subject which concerns of course the interests of his constituency, but which also is of great importance for the economic future and direction of the whole country.

Mr. Speaker, the hon. member for Esquimalt-Saanich (Mr. Munro) talked garbage in his speech. I shall mention only the venom which we are used to seeing him pour forth periodically in this House. We had rather a good example of this last

Friday in his speech about the bill on referendum, and this only added to the outpouring of venom contained in his few comments today.

Before speaking specifically about the direction of our policy concerning the merchant fleet, I would like to rectify a figure mentioned by my colleague from Rimouski, who said that there were only three oceanic ships sailing under the Canadian flag. I would like to tell him the good news and announce that there has been a fourth ship sailing under the Canadian flag since early January, and I would like to quote in regard to an article in the newspaper *Le Devoir* of January 5 and written by Mr. Guy Deshaies, which says the following:

An important even though modest step in the development of a Canadian merchant fleet will be made this weekend when the ship *Maurice Desgagnés*, sailing under the Canadian flag, leaves the port of Chicoutimi loaded with wood pulp and explosives for the Netherlands and Germany.

The ship will come back from its first international trip with a full load of German import products.

Mr. Speaker, this is a new company called Desgagnés Maritime Limitée and I am very happy to mention this fact because this company is established in my constituency and has been active in shipbuilding since the beginning of this century. Moreover, the chairman of the Desgagnés group, Mr. Yvan Desgagnés, has always been an active supporter of the merchant fleet. We must depend on the entrepreneurship of Canadian entrepreneurs, on the quality of our labour as mentioned by the hon. member for Rimouski, as we realize that even a private company in a less privileged area of Canada succeeded in carrying the Canadian ensign on international seas and, I am very proud of it as it is a company from my riding.

Mr. Speaker, I do not have the time to undertake an exhaustive analysis of the report published last week as I have only three minutes left, but I wish to say very briefly that in view of the adverse situation of the shipping industry, considering that there are too many vessels used for international transportation and that many companies do not succeed in obtaining contracts anymore and that, in the last three years, international shipping companies have seen their profits decrease, in view of the adverse situation of the shipping industry and the fact that it would be difficult to prove that a Canadian merchant fleet would be the ideal answer to our problems, to our balance of payments or our present commercial problems, the new financial or fiscal measures to encourage oceanic transportation by ships flying the Canadian flag are not justified economically. Investments in oceanic transportation do not represent an optimum use of our national resources. This is an important factor as the government tries to encourage economic development through a minimum of interference.

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

The Acting Speaker (Mr. Turner): The hon. member for Lévis rises on a point of order.

[Mr. Lapointe.]

Mr. Guay: Mr. Speaker, I wish to put a question to the Parliamentary Secretary to the Minister of Transport and I think it might interest all hon. members, even the member for Esquimalt-Saanich who left this House. I am not sure if it will be during the present session but I hope that the report will be referred for study during the present session to the committee of transport and communication.

The Acting Speaker (Mr. Turner): The hon. Parliamentary Secretary to the Minister of Transport.

Mr. Lapointe: To answer this question very briefly, Mr. Speaker, I would say that this report announces legislation which will allow the government to obtain more information on international companies doing business in Canadian ports. As soon as that legislation is introduced and adopted after second reading in the House, the report and the legislation will be referred to the Standing Committee on Transport and Communications.

Now, Mr. Speaker, I will have to skip many pages of my excellent speech in which I could have presented very sound arguments to the hon. member for Rimouski. I will say that the government's conclusion, in the present international situation, does not justify the investment of Canadian funds in the development of a Canadian merchant marine. On the other hand, the government is prepared to protect a sector which after a few years should become the most important of the country, from an economic point of view, namely, northern Canada and as much as possible reserve that sector to Canadian ships.

The Acting Speaker (Mr. Turner): Order. The hour reserved for consideration of private members' business having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*Translation*]

CANADA REFERENDUM ACT

MEASURE TO PROVIDE FOR HOLDING OF REFERENDUMS ON CONSTITUTION

The House resumed consideration of the motion of Mr. Lalonde (for Mr. Reid) that Bill C-9, respecting public refe-

rendums in Canada on questions relating to the Constitution of Canada, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Herb Breau (Gloucester): Mr. Speaker, at five o'clock, when the House adjourned for supper, I was saying that in the Conservative policy—if it is really a policy—relating to the bill, to what the government is saying on the constitutional issue, on the national unity issue, the objective is not to put forward a viable alternative, to tell Canadians exactly what they want to do, but simply to attack what the government proposes, pretending as the Leader of the Opposition himself stated this afternoon, that the Liberal party is only trying to get some electoral capital. Yet, Mr. Speaker, they are playing politics with national unity, not the Liberal party, and I for one will not try to find an excuse because my leader has a viable position concerning the province of Quebec.

Mr. Speaker, here I will be critical of my own colleagues and many Liberals across the country who should stop apologizing because our leader, the present Prime Minister (Mr. Trudeau) is an efficient critic—as he has always been—of political nationalism in Quebec. Time has come to stop apologizing for that. I do not feel ashamed because the leader of the Liberal party can say across Canada: here is the policy of the Liberal party.

Mr. Speaker, the Progressive Conservative party should realize that by limiting themselves to criticizing our position on this issue without even putting forward a viable alternative, they show their weakness, their inability to arrive at positions. Mr. Speaker, there are ramifications to constant frustration of constitutional reform and constant downgrading of its importance. Before the five o'clock recess, I was suggesting I find it very hard to control my temper when I hear people state in or outside the House that the issue of national unity, the issue of the constitution is not that important and there are other matters more important to discuss.

Mr. Speaker, I also dealt with perceptions of injustice in Canadian history. There are not only, however, perceptions of past injustice, there are real injustices perpetrated now today on language matters, on racial matters in Canada. If anybody is amazed or questions this, let them come to my province where I could point to examples. I would quite simply suggest that perhaps the Progressive Conservatives are naive—because I am not in any way intimating they are being devious—they probably are naive if they think they can maintain a united and strong Canada while frustrating endlessly the constitutional reform process.

With regard to the statements made by the Leader of the Opposition over the past few months about sovereignty-association, there is an article in *La Presse* of October 28, 1978, in which he is reported by Mr. Louis Falardeau as having said something he has never denied, in spite of everything he is trying to say now:

> I shall have a mandate to negotiate with the provinces, and if a province has a specific mandate, I shall have to negotiate and deal with it.

Then many people have taken to task the new and unfortunate member for Rosedale (Mr. Crombie), a former mayor of the city of Toronto, who has not yet adjusted to federal politics. I do not blame him for his blunder, because he was doing exactly like his leader. I suggest that his leader did not mean any harm when he said that, because he did not realize what he was saying. I merely say that he is irresponsible and naive and proves his inadequacy as a national leader. That is what I am saying of the Leader of the Opposition.

Mr. Speaker, I have always been against any action leading to political isolation. I have always objected to those who wanted to isolate people because of their language or their culture. However, I can understand as a Francophone how easy it was for political parties such as the separatist party in Quebec to inject nationalism in politics. It is quite easy to understand when one looks for five minutes at Canadian history. If anyone can deny that there never have been and there still do not exist in this country attitudes that are not as favourable to the French fact as they could have been, it is because he is not being honest. Surely one can hide this fact and pretend it does not exist. But it does exist, Mr. Speaker. That is why I think national parties such as the Progressive Conservative party should make its position clearly known on this particular issue.

Mr. Speaker, with regard to constitutional reform, it is getting late for Quebeckers as well as for Francophones outside Quebec, because they feel that some things ought to be changed in our country. And I explained earlier that the Progressive Conservative party always says when this matter is discussed: Look who has been in power for 10, 12 or 15 years, you have. And they seem to blame us for it. I told them that it was impossible to mean—

● (2010)

[*English*]

Mr. Baker: Who else?

Mr. Breau: Some Conservative members are helping me make my point. What they do not realize is that one cannot redress the political institutions of this country nor can one redress the political order of this country without creating tension. If hon. members think they can do that, they are fooling themselves. One cannot do that unless tensions are created.

[*Translation*]

The fact that tensions have been created in this country for the last ten or 12 years does not worry me at all. There were tensions in my own provinces also, and that does not worry me too much either. There were some reactions against the promotion of Acadians. Looking at New Brunswick politics, it is obvious that there were some reactions like those. We should not worry about that. Such things are normal. If we are

seeking, a healthy society, we should not hesitate to tell each other truth. What happened in Canada for the last ten years is that we have begun to tell each other the truth. When truth is told, it is normal that some people try to use the truth to break the country. It is true that we have seen tensions, and it is true that we will know some more. Why? Because Canadians have started to face the truth and recognize it. These are the steps that we have to go through if we want to be able to take real decisions on those matters.

Unfortunately, the Progressive Conservative party is making an electoral issue out of that bill, out of the constitutional question. They are the ones who make an electoral issue of that question. The recent remarks of the Leader of the Opposition and of the hon. member for Rosedale, although they both tried to clarify them, have shown that they are unable to understand the situation in Quebec and in Canada, that they are unable to really lead this country as a responsible party.

[*English*]

Earlier in my speech I mentioned that I had suggested a couple of days after the November 15, 1976, election that the federal government had a duty to make sure that the people of Quebec could respond to their federal government as well as to their provincial government. Why? Because now that the PQ have the means of communication in Quebec and the means of development, the government can create a context into which it could convince Quebeckers that the federal system is against their interests. That is exactly what I thought at the time and that is exactly what has happened. If hon. members want an example of what I meant at the time—and it is still an issue today—they could take a look at the issue of transmission of electricity from Newfoundland to Canadian markets and U.S. markets. We know that there was a deal made for Churchill Falls, and while I do not necessarily agree totally with the position of Quebec, I can agree that on that one, a deal is a deal and a contract is a contract. It is difficult to deny that.

But what about the development of the Lower Churchill—Gull Island?

That power will have to be transmitted through Quebec on Quebec land. Do hon. members not realize that it is possible in that kind of a context to make that an issue in Quebec and convince Quebeckers that it is against their direct interests to be part of a federal system? They can, and if hon. members do not know that, they do not know what is happening in Quebec. That is exactly the kind of issue around which the PQ could create a referendum campaign. In this instance, Quebeckers, if they want to be good Canadians will probably give Newfoundland a break and give Newfoundland what it is due so it can sell its resources in Canada and in the United States. That is an issue around which the Quebec government can very skillfully convince Quebeckers that a federal system is against their direct interest. It may not be against their indirect interests as citizens of Canada but it can be against their interests strictly as Quebeckers. That is why the federal government has a duty and a responsibility to make sure that on the question of the future of Quebec the federal government must ask that question of Quebeckers as much as their provincial government will.

[*Translation*]

Mr. Speaker, I would like to conclude on that point. Some people say that it is up to the Quebec people to decide their own fate. I heard a member make that comment this afternoon, I do not argue against that, naturally, because it will be mostly up to Quebeckers to decide.

But the fact is, Mr. Speaker, that I am a Francophone, and like other Canadians also, I have a right to speak to Quebeckers before they make up their minds because a part of Quebec belongs to me, my own history is rooted in Quebec and I have always felt that the fact that Quebec was the stronghold of the Francophone community in North America, in Canada, has inspired me personally and politically.

Mr. Speaker, French speakers outside Quebec have something to say on this matter; I am not suggesting that we tell Quebeckers that they are not able to make their own decision, but rather that I have the right to speak to them before they give their final word. In that sense, the bill that we are debating today is important because of the authority it would give the federal government, and parliament—in spite of what the Leader of the Opposition was saying this afternoon, to mislead the people—to decide when and how a referendum would be held, first on the future of Quebec, if necessary, but also on constitutional reform. I categorically oppose the Leader of the Opposition's attitude and position when he says that if two or three provinces want to boycott the progress of constitutional reform in Canada parliament should accept that. Parliament has something to say in this regard, and this is an important bill, Mr. Speaker, which concerns not only a referendum on the future of Quebec but also possible referenda on consitutional reform. We must not let those who want to destroy Canada impede the reform of Canadian political institutions, because those people want to use the diversity of Canada, which should be our strength, to destroy the country. That is what they want to do.

Mr. Speaker, we have the responsibility as a federal government, as a federal parliament, because in this parliament there are people from all over the country who spend days, weekends, weeks or election campaigns to go and persuade Canadians in all parts of the country to elect them to sit in this parliament, and I do not accept at all the idea that only the provincial governments can speak on behalf of the Canadian people.

Each hon. member is elected here to speak on behalf of Canadians, and if at a certain time partisan provincial politicians are only thinking about the future of their own province and if, on the other hand, we see, as it is the case in Quebec today, a government which wants to isolate Quebeckers around their language and their culture, which is bad for the future of Canada, it is our responsibility to have a mechanism enabling us to go and ask the people of Quebec what they

want, to ensure that the context in which that question is asked will favour those who want to fight for the unity of Canada, not only in a context which will favour those who want to dismantle the country. That is the danger. And the Leader of the Opposition (Mr. Clark) talks about respecting Canada's diversity. He says the government's attitude on the constitutional reform, on the subject matter of this bill, is dangerous because it does not respect Canada's diversity. I asked him this afternoon: Diversity at what price? Diversity until when? Diversity to what extent?

There is a danger of too strong a decentralization and of too strong a concern over this diversity, when one relies only on provincial governments to express this diversity, it is dangerous, it is naive, it is irresponsible. Each and every member of parliament represents the diversity of Canadians, wherever he may sit in the House. Where are these people elected? Where do they exercize their political ability? In any part of the country. We express here the diversity of Canadians.

Mr. Speaker, for Quebec's future as well as for constitutional reform, we need a tool which will enable us to go to Canadians and ask them: What do you want? Do you want what your provincial government proposes? If, as I was saying a moment ago, a provincial government wants to hinder the constitutional reform, for their own reasons, should we, as the federal parliament, accept this? I say no, Mr. Speaker, and I would like those who pretend to be speaking in favour of a strong and united country to say the same.

● (2020)

[*English*]

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I am happy to take part in this debate on Bill C-9, an act respecting public referendums in Canada on questions relating to the Constitution of Canada. The most important words in that title are "relating to the Constitution of Canada." The title of the bill must be read in conjunction with what is being put forward, as stated so eloquently by our national leader this afternoon.

I have just finished listening to the hon. member for Gloucester (Mr. Breau). I noticed that in most of his speech he was very critical. His aim in presenting his argument on unity and on this bill was to hurl reproaches and recriminations at the Conservative party rather than getting down to what is in the bill and under study this evening. It will not be my purpose in speaking tonight to hurl reproaches and recriminations at the Liberals, only to allude to one.

Since 1963 under Pearson that party was the government. Since 1968 under Trudeau they have been in the government. Prior to that time the question of unity was not in the form of confrontation and disunity that we have today. Regardless of what they say, they must bear some responsibility for the status of this issue in Canada at the present time.

At the outset I would like to read the most important part of the bill, and this was dealt with by our leader this afternoon when dealing with the title of the bill, the Constitution of Canada and how far it goes. I quote from clause 2:

> "Constitution of Canada" includes, without limiting the meaning of that expression,
>
> (a) the customs, conventions and enactments that comprise the Constitution of Canada,—

Our leader mentioned the various customs and precedents of parliament. The traditions and customs that crystallize the democratic process we have in this country should be one of the terms and matters placed before the people of Canada.

The word "enactments" in the bill means any bill that has been enacted by this parliament, whether it be the Bill of Rights or any other bill.

The point that bears emphasis, and I draw the attention of the chamber to this, is the political and judicial institutions and processes of Canada. The political institutions are the institutions of this parliament. The judicial institutions are all the other parts of our democratic system. That means this bill is really a general referendum bill. That is the complaint our party is placing on record in this debate. We are not against a referendum in any shape or form if the matter placed before the Canadian people is a special act or a special matter rather than on general matters. Therein lies the difference in the position between our leader and our party and the arguments from the other side.

One of the first things we must do is look at the word constitution as defined in the bill. What are we really talking about? I would like to put a couple of definitions on record before getting to the meat of what I intend to say about this bill. What does the word constitution mean? I would like to read from a book by J. D. Whyte and W. R. Lederman, "Canadian Constitutional Law". I quote:

> The word constitution . . . means the document in which are set out the rules governing the composition, powers and methods of operation of the main institutions of government, and the general principles applicable to their relations to the citizens.

That is a very good, succinct, and brief definition of what the word constitution means. There are other definitions. There is the definition of Salmond in "Jurisprudence", and I quote:

> Constitutional law is, as its name implies, the body of those legal rules which determine the constitution of the state.

That means the physical make-up of this country, which is exactly what our constitution is all about.

There is another definition by Dicey, which I will put on record at the same time:

> Constitutional law . . . appears to include all rules which directly or indirectly affect the distribution or the exercise of the sovereign power in the state.

I wish to deal with three aspects. First, I will deal with the make-up of our country. I will then give some historical background. I heard some this afternoon from the hon. member for Gloucester and from the Parliamentary Secretary to the Postmaster General (Mr. Collenette). What really is the make-up of this country? As I have said on many occasions in this chamber, we are not made up of provinces totally,

although there are ten provinces in our present system. We are made up of regions.

We are all part of all that we are. Each is needed by the other, and nothing is good alone. The prairie provinces have certain ideas about this country. The Pacific province of British Columbia has certain ideas. Ontario has certain fundamental ideas about it. I have listened to many speeches in this House, not only in this debate but in others. Quebec certainly has some definite ideas about the make-up of Canada, and so it should. The Atlantic provinces naturally have certain ideas.

I listened to the reproaches and recriminations hurled across the aisle this afternoon. I will not engage in that. The hon. member for Kingston and the Islands (Miss MacDonald) made a very learned, reasonable and, I might say, low key speech on this issue. We live in a healthy climate. Canadians from region to region present their arguments and positions. We are all part of the environment.

● (2030)

I listened today to the hon. member for York East. He talked about being born in the United Kingdom. Well, many of us have roots there. But there is a difference he does not seem to appreciate and I should like to put it on record. It is plain, it is easy. Most of us understand it, but sometimes one has to argue from a known premise when one is developing an idea. It is that we are operating under a federal system. How did that system come about? We did not unite as a country, that is, the provinces of Canada, Upper and Lower Canada, Nova Scotia and New Brunswick, just because we all loved one another—though no doubt, we respected one another's rights. We came about as a nation because of the growth of North America. At that time there was springing up to the south a very strong nation, one of the strongest in the western world, the United States—and thank goodness it is strong. So we were able to compromise.

As I read history, John A. Macdonald felt at the beginning that we should establish a legislative union. What is a legislative union? A legislative union is one where all powers are centralized in one government and then delegated to the various provinces and municipalities. A federal union is a central government with delegated authority under the distribution of powers, other powers being delegated to the provinces so that each area will have its say. Therein lies the difference between legislative and federal union. And when Macdonald and Cartier, an English-speaking Canadian on one hand and a French-speaking Canadian on the other, recognized that the four areas I have mentioned should come together as a nation, they came together under a compromise arrangement because each was able to make concessions; we were able to bring this country together by uniting the four provinces I have mentioned, and later the other regions came in, one after another.

If we were able to accomplish this without a referendum, do we need the kind of referendum which the government is proposing? I am not against a referendum, but do we need the kind of general referendum which would allow us as a parliament to make a decision? I want to ask this further question: do we, as a parliament, really make the decision? I say it is the cabinet which draws up the questions. Ministers draft the questions and bring them before parliament, knowing full well at this time that they command a majority and that they may have some help from the New Democratic Party which, as I understand it, is split this afternoon. So it is the government which will set the questions, and that is what I call a general referendum and that is what I am complaining about in connection with the bill before us.

We want the people to have their say. We believe in conferences, we believe in consultation. The government has held many conferences with the provinces in connection with confederation. Those who took part were not able to agree, but they agreed on some things, and arrangements are presently in hand for the holding of a further conference in February. Now we are to have a general referendum. Mr. Speaker, the people of Canada certainly want to have their say, if they are asked specific questions and if those questions could be brought before parliament by way of a special act in which they would be set up. Some people in this country believe there should be a referendum on the issue of capital punishment—yes or no. I see an hon. member over there shake his head. Maybe he would not want that kind of referendum to be held.

I say that if there is to be a special referendum asking, say, a question concerning the distribution of powers as between the federal and provincial governments, let the question be placed specifically before parliament by way of a special act. This was done at the time of prohibition, and the same was done on the conscription issue. Canadians would then know where they stood. But to give the government the power to hold a general referendum whereby they themselves draft the questions is unacceptable. I am reminded of the question, "Have you stopped beating your wife?" If you say yes, you are wrong. If you say no, you are wrong. And then members opposite say, "Of course, parliament is going to decide."

Well, Mr. Speaker, parliament is going to decide, because we are allowed 40 hours of debate in parliament, and they were not even content with putting the guillotine rule of 40 hours into force. They even told the Senate they had to shape up in 40 hours, too. And then you know what it means, Mr. Speaker. They say parliament decides. Ladies and gentlemen, it is all decided nicely in the back rooms, to use an expression which one hon. member used this afternoon—somebody accused the Conservatives of back room tactics; well, if they did use some back room tactics they had some great teachers over there. So what is going to happen? The government is going to draft the questions. It is going to make a political ploy, and that is not what we are prepared to accept in this bill at this stage. That is why we intend to vote against it.

To get back to the question of a federal union, the issue can again be put in simple terms. All those matters that are common to Canadians in the ten provinces from coast to coast are matters for the central government, and all those that are local are matters for the provincial governments. Of course there is always some overlapping. It would take me a couple of

hours in which to read even a summary of the cases on the Constitution of Canada which have been decided in the last 30 years. They have gone to the Supreme Court of Canada, and some of the earlier ones have been referred to the Judicial Committee of the Privy Council. When I see before me wording such as I have read to the House with reference to the Constitution of Canada—and meaning the constitution as defined by this bill, not by the definition I have read in Dicey or Jennings—I, as a Canadian, become very concerned and I think every Canadian who listens to the speech I am making now will be most concerned, wherever he or she may live.

As I have mentioned, only two referenda have been held. There was one on prohibition in 1928, and Quebec voted against the idea. I might say that had I taken part I would have voted against it too. I say this because prohibition did more to undermine the morals of this country than anything else has done.

An hon. Member: Drink Canada dry!

Mr. Woolliams: One of my friends tried that and he died at the age of 45. He was the mayor of Calgary.

The next was held under the Dominion Plebiscite Act of 1942. Approximately 2,945,000 Canadians said yes to conscription and 1,643,000 said no. Again, Quebec took a position different from that taken by the rest of Canada—I am making nothing of that except to emphasize, and in this I agree with our chief spokesman on the subject before us, the hon. member for Kingston and the Islands, that this was divisive. Prohibition was divisive, and I would point out that these were particular subjects, not general subjects such as are involved in the present case. What we are trying to do now, as I understand it, is to develop a theory and a policy which will bring the country together, not divide it. Although the conscription issue was raised 30 or more years ago, it is still one which leaves deep scars in the memory of people in the province of Quebec.

● (2040)

Why is this divisive? It would pit region against region. What do I mean by that? Geoffrey Stevens was quite complimentary to our party in this regard. I am reading from the *Globe and Mail:*

> The Government says its intention is to restrict referendums to constitutional propositions, but the words "political and judicial institutions and processes" lead Conservative Critic Flora MacDonald to argue that the bill would allow referendums, for example, on abolishing preliminary hearings or liquidating the Parliamentary Press Gallery—

As our national leader said.

> Nor is there anything to prevent the federal Government from ordering referendums on constitutional matters which are wholly within provincial responsibility—to take extreme examples, the transfer of Alberta oil or Ontario schools to federal jurisdiction.

My New Democratic friends behind me are heckling me, but I do not mind. I know that they are split. They should have a talk with Mr. Blakeney, the premier of Saskatchewan, because I agree with Mr. Blakeney. He believes the resources of Saskatchewan belong to Saskatchewan, and we in Alberta believe that the resources of Alberta belong to Alberta. I am sure my friends from Quebec and Ontario and other parts of Canada believe that the resources of Quebec belong to Quebec and the resources of Ontario belong to Ontario. So I say that this legislation would pit region against region.

Mr. Roy (Laval): Are you speaking for the provincial governments?

Mr. Woolliams: Mr. Speaker, I would like to listen to the hon. member, but I hope he will just quiet down and give me a chance to make my speech. After I sit down I will listen quietly to him. There is one thing I have noticed about the hon. member, and that is his ability to make a lot of noise without making a lot of sense.

This bill would also pit race against race. That is exactly what happened with regard to the conscription issue. The bill would pit religion against religion and culture against culture.

Mr. Boulanger: Come on.

Mr. Woolliams: I see that the Liberal whip is worried about his members. This bill would pit political cunning against common sense and judgment.

Mr. Lang: Don't you trust the people?

Mr. Woolliams: I trust the people, but the people do not trust this Liberal government.

This bill would pit family against family and friend against friend.

Mr. Lang: And people against people.

Mr. Woolliams: The minister is right. The Minister of Transport (Mr. Lang) comes from my province and was dean of the law school I attended. I do not know whether I was lucky or not; I graduated before his time. He knows as well as I do that when we deal with sensitive issues relating to people, religion, regions, race or culture, there is a virus of dislike, hatred and bigotry which always hovers in the dark. Perhaps it is not great, but it is there in every nation, and it is here in our nation. Let us not hide the fact that all that is needed is a spark to ignite a flame, and this general referendum legislation may be the spark which will ignite the flame of bigotry and hatred. As a Canadian I do not want to see that.

Mr. Boulanger: Try to be nice for a change.

Mr. Woolliams: I do not know what to say to the Liberal whip.

Mr. Knowles (Winnipeg North Centre): He is not the whip.

Mr. Woolliams: If he is not the whip, he is the acting whip.

It seems that hon. members opposite do not like to hear the truth. This kind of referendum legislation in such a general and broad sense would undermine the whole principle of responsible government. I repeat that we in my party are not against a specific referendum on a specific subject, but we are dealing with constitutional law. My friend says we should be

nice. I remind him that there are thousands of cases reported in the book I have in my hand. In the book there are decisions on phrases and words with regard to provincial and federal jurisdiction. The constitution is interpreted in this book.

We are dealing with a very serious matter. Let us suppose we put out a ballot as big as this book by Lederman and Whyte. The Minister of Transport should know Mr. Lederman. Mr. Lederman was a Rhodes Scholar from our university. He became the dean of the law school at Queen's University. If we put such a ballot before the people, they would be up day and night.

I feel that this legislation is a political ploy. Hon. members opposite keep asking us about our policy. I have told them where we stand on this subject. Hon. members opposite say we do not have all the answers. I will be honest and fair, which we must be on this subject. I have not met one Canadian in the academic field, or even in that great Liberal party, who has all the answers to the question of national unity. However, we over here have some answers, and we are prepared to give them to the House. We are prepared to stand on principle with regard to national unity policies. The fires of disunity are being rekindled all around us by none other than the Trudeau government and by the Prime Minister (Mr. Trudeau) himself. The Prime Minister is a great actor; I cannot take that from him but, like a fireman, he is attempting to put out bonfires for political expediency in an effort to be re-elected at this time when he is in trouble. He is in trouble because, as hon. members opposite know, economically speaking this country has never been in the shape it is now, even during the depression.

An hon. Member: Rubbish.

Mr. Woolliams: An hon. member says "rubbish". Let him stand in his place and tell us when the dollar was—

Mr. Lang: And tell us when Canadians were better off.

Mr. Woolliams: C. D. Howe said that.

Mr. Lang: It was John Diefenbaker.

Mr. Woolliams: Now the Minister of Transport tells us that Canadians are well off. The minister should tell that to our one million unemployed. Political expediency is what this government is all about.

Any number of questions could be put in a referendum. A referendum could decide whether the great bread basket of the prairies should be turned over to Canada. A referendum could decide what should take place in the maritimes. Let us face reality; the power in Canada is located in central Canada because that is where the majority of our population is located. I believe Ontario members will now make up 98 seats in this House. Western Canada will return the same number as Quebec, but Ontario will return 98. There could be a question as to whether the Atlantic provinces should unite into one province. Perhaps the people of Ontario would say that is a good idea. Perhaps the people of the prairies might agree.

[Mr. Woolliams.]

The province of Prince Edward Island is a great province. It was one of the first to join confederation after the initial four provinces, but Prince Edward Island has less population than three of the constituencies separate and apart in the city of Calgary or in Toronto. In a general referendum this question could be put to the people. Such a move might be a tax saver. By nature man takes care of himself at the right time, and people would vote accordingly. This bill would descriminate against small population regions. People in those regions would be the ones to suffer as a result of any general referendum legislation of this kind.

I would like to deal for a few moments with a few clauses of the bill. I have referred to political and judicial institutions an processes of Canada being in the form of the Constitution of Canada. Does that mean we will have a referendum to change all the courts? The administration of justice is under the jurisdiction of the provinces, and criminal law falls under the jurisdiction of the federal government. Will there be a general referendum to say that all courts must be federal courts? The government talks about centralization, so that question could be put. I do not know what Canadians would do about it. I would think they would vote against it, but that question could be put easily.

● (2050)

That resolution or motion coming in for debate for 40 hours, with the guillotine falling, was drawn up by the Liberal federal cabinet. It will be a Liberal question put to the electorate to help the government elect itself, if the referendum were held at the same time as the next federal election. That is what this political ploy is all about.

Referring to Bill C-9, clause 3(1) reads as follows:

> Where it appears to the Governor in Council that any question relating to the Constitution of Canada or relating to or arising out of a proposed or possible change in the Constitution of Canada is of sufficient importance to warrant obtaining the opinion of electors on that question, the Governor in Council may, by proclamation, direct that the opinion of electors be obtained—

Who has that power? Not my party, not the New Democratic Party, not the Social Credit party, but the party in power right now which has gone by its mandate because it is too frightened to call an election. That is the party which will draft those questions.

Some hon. Members: Hear, hear!

Mr. Woolliams: Then, how does the procedure work? I know hon. members opposite do not like what I am saying, particularly those who have not read the bill. It is unnerving to find out how horrible something is which they have not yet read. The bill continues:

> (5) No proclamation may be issued under subsection (1)
>
> (a) during any period that the House of Commons stands dissolved—

Thank goodness for some small mercy. It continues:

> (b) later than 45 days after the text of the order in council authorizing the issuance of the proclamation has been approved by a resolution of both Houses of parliament.

Mr. Reid: Oh, oh!

Mr. Woolliams: I hear the new minister saying, "Oh, oh." He was not here for the original debate. He knows, as well as I, the process of government. He is not a child. He knows the Liberal party has the majority. The Liberals draft the motion, bring it to parliament, in 40 hours it becomes law, and in 40 hours it becomes law through the Senate. That is what we are debating tonight, and that is what we are against. We are against the breadth and width of the bill and the political ploy of the Liberal party in reference to this legislation.

The bill continues:

4. An order in council authorizing the issuance of a proclamation under subsection 3(1) shall not be made until a motion setting forth the text of the order in council—

Then clause 5(1) reads as follows:

—praying that the text of the order in council set forth in the motion be approved, shall be debated for not more than 40 hours—

When there is a time limit on debate, no matter what the issue, it would not matter what we on this side of the House said or what Canadians might say to the government. In 40 hours the guillotine falls. The question is put, and the Liberals stand together, men and women together, and they say that Canadians have been able to speak through a referendum which they put to Canadians in the question they wanted, in the language they wanted, and with the inference they wanted to draw therefrom. It is the same operation in the Senate, and on it goes. That is the reason we are against this bill in its present form.

An hon. Member: What is your suggestion?

Mr. Woolliams: I have told the House what our suggestion is. Sometimes it is similar to dealing with a mule. In order to get something through its head, you must get its attention. As I said, we believe a specific question, whether it is a matter dealing with the constitution or something other than the constitution, should be put to Canadians. It should be a specific question, not a general composition on the constitution about which even the great experts do not agree.

I should like to refer again to the remarks of Geoffrey Stevens in this regard. He said the following:

—Why should referenda be restricted to provinces which have rejected a federal constitutional amendment? Why, in the interest of consistency, should not people whose provincial governments have accepted a federal proposal have the same opportunity to overrule their elected representatives? Or is the object simply to give Ottawa a second chance?

He continued:

Similarly, the government, with all the fervor of a new convert, is preaching what a good thing it is to consult the people.

That will be something new. He continued:

Okay. But if consultation is such a good thing, why not make the verdict binding?

Let me pause there. After all the expense of a referendum and playing with the people like dollies, asking them for their opinions, then what happens? It is similar to Mackenzie King with conscription. He said, "Conscription when necessary but not necessarily conscription". Do hon. members remember that? That is exactly what he said, after spending several millions of taxpayers' dollars.

Mr. MacFarlane: He was right, and that is important.

Mr. Woolliams: I suppose the argument of the Minister of Transport would be this: referendum when politically expedient, but not necessarily accept the message of the people if it is found to be politically inexpedient. I imagine that would be the minister's position.

Mr. Stevens continued:

Why not allow the people, by petition, to force a referendum?

The government rejects spending limits on political parties, on the ground that they would produce infringements of freedom of expression and association. Why, then, are spending limits imposed on candidates and parties in federal elections?

The Minister of Justice (Mr. Lalonde) has expressed some interesting thoughts. I should like to take a look at some of the comments he made when he presented the bill. As reported in *Hansard,* he said the following:

This bill is being introduced by the government at a critical time in Canada's history.

I could not agree with the minister more.

He continued:

I am sure all hon. members recognize its potential importance. The bill provides the framework which would permit parliament to approve that referenda be held on questions relating to the Constitution of Canada, where that includes all the conventions and enactments of the constitution as well as the political and judicial processes of Canada.

That covers the entire field. Then he said:

I want to deal with three themes in my remarks today: first, the need for the bill,—

Do we need the bill in this form prior to the constitutional conference which is coming up? Do we need this bill at a very sensitive and tender time in the life of our nation? Do we need it at a time when the task force has spoken out? Those are the questions I should like answered.

He continued:

—second, its implications for parliamentary democracy and for federal-provincial relations—

How many times have we risen in our places because the federal government became involved in an area of provincial jurisdiction? How many times has the federal government thrust a program on the provinces, leaving them with the money burden of paying for it?

An hon. Member: After they got the votes.

Mr. Woolliams: That is right.

The minister continued as follows:

—and third, the principles underlying it as the framework for a democratic procedure.

We would agree to that if it were a special act of parliament dealing with a specific subject, and not in great general terms.

Later on the minister said the following:

Given these enormous changes, we must have the greatest respect for the Fathers of Confederation who drafted our constitution.

● (2100)

As I said, and I remind this government, we did not have a referendum when we came into this Confederation.

The quotation from page 2034 of *Hansard* continues as follows:

It has served us well and provided the framework for extraordinary accomplishments. But it is necessary that Canadians look carefully at this constitutional legislation to ask whether, after a century, the time has not come to renew our most basic law.

I suggest he has overlooked something. In 1867 the BNA Act came forward, but what happened after that? The growth of our country did not stop there. We then had the Manitoba Act which formed part of Manitoba, and later it became a larger area. Then we had Prince Edward Island coming into Confederation, and then we had the Saskatchewan and Alberta Act of 1905 when they came in. Prior to that time British Columbia came in. Then last, but not least, we had Newfoundland coming in. Newfoundland was mentioned in the original act, but it was the last to come into Confederation. All this has happened in the last 100 years.

There is one thing I have not heard from members of the Liberal party, and I do not think I have heard it in any of the complaints or questions about unity and Confederation. Has anyone ever really pinpointed what is really so bad about the constitution, except for small references to the distribution of powers and financial arrangements? I would tell the minister through you, Mr. Speaker, and I see him smiling, that all of us know that the words used back in 1867 are much like a growing tree; they change with social and economic conditions.

An hon. Member: Oh, oh!

Mr. Woolliams: I thought the hon. minister said something. I did not hear what the former dean said.

Mr. Lang: I said, I bet Sankey wished he had said that.

Mr. Woolliams: That is exactly what the judicial committee said in reference to one of the cases that came from Aberhart's government in Alberta. I do not know whether the minister read it. Maybe it was not in one of his lectures to his class, which somebody wrote for him.

Some hon. Members: Oh, oh!

Mr. Lang: You obviously were in law school before my day.

Mr. Woolliams: Yes, and that is one thing I always say: Blessed are the lucky.

Mr. Lang: For they shall be Liberal in their hearts.

Mr. Woolliams: Then the minister went on to state:

But the federal government would be able to ask parliament to approve a referendum question if it was confident that a public vote on the question would clarify the desires of the population in regard to constitutional reform.

[Mr. Woolliams.]

The government knows that is impossible, and the Minister of Justice has said it is impossible. Even if it were possible, this government would not follow what the people asked for in a referendum of this general nature. That is what I suggest in answer to that argument of the Minister of Justice.

Then the hon. member goes on to say:

Some Canadians, and I respect their views—

I do not know whether he respects the views of just some Canadians or just some Liberal Canadian views. In any event he stated:

Some Canadians, and I respect their views, are worried that a law which would enable parliament to approve referendum questions on constitutional matters may have serious implications for either our federal system or our parliamentary democracy. Are they right to be worried?

We have the right to be worried. We have a function here in the official opposition, and that is to point out the facts to the Canadian people about the kind of law upon which we are being asked to vote. I am confident this bill will go to the committee and we will have to make our changes there, if that is possible at the committee level. We all know how the committee system works. If a Liberal member does not get on with the Prime Minister, he is taken off the committee and we do not see him for a week.

Mr. Deputy Speaker: Order, please. I must interrupt the hon. member as his time has expired. If he wishes to continue he will require the unanimous consent of the House. Is there unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: There does not seem to be unanimous consent.

Mr. Rod Blaker (Lachine-Lakeshore): Mr. Speaker, let me begin by stating that I regret that the hon. member for Calgary North (Mr. Woolliams) did not have the opportunity to continue. Perhaps it is time that someone intervened with a couple of points in response to what he has been saying. I should like to begin by trying to put to this House what I believe are some of the facts as they relate to this referendum bill. I do so having sat through the speech of the Leader of the Official Opposition (Mr. Clark) this afternoon, a speech which left me convinced that either the man does not understand what is going on in the province of Quebec or, if he does, he is not prepared to face it on a flat open basis, with statements or assertions with which he and we can stand during an election.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Blaker: Easy now. I can stick it even much further. In the meantime, I am trying to do it gently enough so that you will understand something about the province of Quebec.

An hon. Member: Explain.

Mr. Blaker: I will be glad to explain if you will give me a minute. The hon. member for Calgary North referred to one of the members on this side as being somewhat like a mule because he could not get the point. Without using such rough language I want to try to make a point to the hon. member for Calgary North, with whom I might say I have often sat and had the pleasure and the honour of conversation on this subject matter. I am not going to repeat our private conversations, but I am going to say publicly what I then said to him privately.

The hon. member says the problem with this referendum legislation is that it does not provide for specific questions. I do not want to go all the way back to the Viscount Hall days and the Privy Council decisions in the 1800s to instruct the hon. member on a little history, because he only needs to go back to 1976 when Mr. René Lévesque and the Parti Québécois were voted into power. They were voted into power for a very simple reason. One very bright gentleman by the name of Claude Morin realized that if you distinguished the question of separation, putting that aside and promising the people in the province of Quebec that the order of the day was only good government and there would be a referendum put separately, with no separation simply by virtue of the election of the Parti Québécois, the people would accept them. As a result we got a Parti Québécois government. We have a party many of whose members declare that the position now taken, called sovereignty association, is not strong enough and that in fact, as Pierre Bourgault said recently, the current leaders of the Parti Québécois will have to go and be replaced by somebody who is prepared to offer full sovereignty on the basis of a declaration with no referendum.

The hon. member for Calgary North must be aware of the game being played by the Parti Québécois regarding the subject of the word "separatism". What does it mean? What does "independence" mean? What does "sovereignty association" mean? The hon. member says the answer to this referendum legislation is the posing of a specific question. He says the problem is that we are not asking a specific question. It is very easy to understand why that is so. We cannot get the Parti Québécois to ask a specific question.

Some hon. Members: Hear, hear!

Mr. Blaker: The proposition put forward by the Conservative party in this debate is that we are far better to trust the governments of all of the provinces including the Parti Québécois in the province of Quebec. What can I say to those of you who do not live or reside in that province? We have heard the words "separatism", "independence", and "sovereignty association". We have seen them manoeuvred and manipulated week after week after week. Of course we are not sure that the Parti Québécois is going to ask the question honestly. Since we do not know what they are going to ask or how they are going to ask it, we want a simple piece of legislation that gives us the manœuvring room within which to ask the right question. That is not hard to understand.

• (2110)

The hon. member for Calgary North, as did his leader this afternoon, said that this kind of general legislation is a direct threat to Canadians at large and that it is a direct threat to the provinces. The hon. member for Calgary North has said that this might mean the loss of the national resources in each of the provinces. The Leader of the Opposition this afternoon said that minorities will be endangered or could be endangered by this legislation. Where has the Leader of the Opposition been? The minorities in Canada are endangered right now.

Mr. Alexander: Who has been in power for the past ten years, and what are you doing about it?

Mr. Blaker: I will answer the hon. member's question about being in power for the last ten years, in one minute.

Mr. Alexander: Answer it then.

Mr. Blaker: The hon. member will be sorry when I do.

There are approximately one million Anglophones in the province of Quebec who are wondering just whether or not they will be remaining Canadians. While the member for Calgary North and his leader argue the power of provinces, we on this side make it very clear, "My civil rights and your civil rights as a Canadian ought to be applicable from one coast to another and never subjected to the whim and varying changes of party governments in one province or another."

Mr. Alexander: Mr. Speaker, will the hon. member permit a question?

Mr. Blaker: No, he cannot ask a question. Have a seat.

Mr. Alexander: When you talk about minorities, let's hear about all of them.

Mr. Deputy Speaker: Order.

Mr. Alexander: Don't talk about the provinces. Talk about all of the minorities in this country.

Mr. Deputy Speaker: Order, please. I wish to remind the hon. member for Hamilton West (Mr. Alexander) that the hon. member for Lachine-Lakeshore (Mr. Blaker) has the floor.

Mr. Alexander: I am terribly sorry, sir; he made me nervous.

Mr. Blaker: I imagine I do make the hon. gentleman nervous, and I will make him more nervous in a moment. Perhaps the hon. member does not understand because their members do not fit in any of the categories called minority.

Mr. Alexander: You might as well sit down now.

Mr. Blaker: The proposition put by the Leader of the Opposition is that French-speaking people in the province of Ontario ought to rely on the government of Ontario for the enforcement of their civil rights and that English language

Canadians in the province of Quebec ought to rely on the government of Quebec for enforcement of their civil rights. The proof of the matter is that the provinces will not guarantee those civil rights and, therefore, we would like a referendum that is wide enough to ensure that the meaning of being a Canadian and that one's civil rights will be guaranteed from one end of the land to the other.

Some hon. Members: Hear, hear!

Mr. Blaker: This afternoon the Leader of the Opposition said that his party had a clear understanding of where they are going. I find that very interesting. He accused the hon. member for York East (Mr. Collenette) of not understanding, and he practically said the latter could not follow the Conservative position. I want to plead guilty, because I do not follow it either, and I think that there are many other people on the floor of this House who cannot follow it. I know that the hon. member for Rosedale (Mr. Crombie), the former mayor of Toronto, cannot seem to follow their position. I know for sure that the Conservative candidate in my riding does not follow it, because no sooner did he hear the statements made about negotiating or not negotiating with the Parti Québécois and about Claude Ryan "being a theologian, therefore it is better to deal with René Lévesque," than he rushed into print to say, "some Conservatives don't share those opinions." I do not blame him, because if I were in his position I would be worried too.

The Leader of the Opposition said that it is regrettable that the newly elected member for Westmount (Mr. Johnston) did not explain just why it is that he believes a referendum will never become necessary. I cannot speak for the hon. member for Westmount, but I would like to state what, surely, is obvious. If our federal referendum is broadly enough based and well enough worded in terms of the opportunities to put in the words we need, then all the more reason for the Parti Québécois to word its referendum so that the federal referendum will not have to be used. That is another reason why we need a wide-power referendum, because if we restrict ourselves, as the hon. member for Calgary North has suggested, to a single question now, the premier of the province of Quebec would fall over laughing and devise a question in order to get around our own question.

We do not want a referendum. Nobody who appreciates British parliamentary practice likes or wants a referendum, but we don't know what the best other response is to the fact that the country is beginning to divide amongst itself. We are not sure how the Quebec referendum will be handled, so we need a weapon in our arsenal to face this kind of separation challenge.

I will be very interested to hear the hon. member for Brome-Missisquoi (Mr. Grafftey). We may differ in our perceptions of how the bill ought to be worded, but surely, as two people faced with the same problem, we will not differ as to its seriousness.

An. hon. Member: He would have a different solution, I suspect.

Mr. Blaker: If I could hear one solution from the members opposite upon which they all agree, I would happily go to election the following day.

Some hon. Members: Hear, hear!

Mr. Blaker: The Leader of the Opposition and the members opposite say that the danger of this kind of broadly worded legislation is that somehow or other the federal government will deke or mislead the people. If these members are truly afraid that legislation worded so widely could confuse or mislead the people, then why do they seem to have so much confidence that the same widely worded legislation in the province of Quebec will not deliberately confuse the people? We wind up with the Conservative party sometimes flipping to negotiating with the province of Quebec on separation, sovereignty or whatever, and sometimes flipping back.

I would like to tell the hon. member for Hamilton West (Mr. Alexander) who, I believe, had a question about where we are all going, that unless the Conservative party, which now has two seats in the province of Quebec, settles on a response to the threat of national unity, it will have no seats in the province of Quebec.

Mr. Grafftey: How many seats do you have in Alberta? Not one.

An hon. Member: We have one.

Mr. Blaker: I would like to refer again to the attitude of the Leader of the Opposition with regard to the question of this referendum being used, in his words, "to blackmail the provinces." The provinces are legal jurisdictions and creations of the British North America Act. Surely it is not too difficult to understand that as legal and political jurisdictions they come after people. If we put a referendum to the people of Canada, are the member for Calgary North and the Leader of the Opposition afraid that somehow the results of that referendum will be so misleading and so confusing that they will do damage to these legal structures, the political institutions called provinces?

The hon. member for Calgary North has said that it may cost the people of Alberta their natural resources. He must have absolutely no faith in the people who put him in parliament if he thinks that they are so stupid that they will give up their natural resources in a referendum.

I would like to invite members of the Conservative party to take a position. I heard the leader of that party say this afternoon that the Pepin-Robarts report has a lot to be said for it and that this government has for years and years produced a situation which has caused the breakup of national unity. If this government, the Liberal Party of Canada, is the cause of so much difficulty in the province of Quebec and is the cause of national disunity, then how come there are going to be 72 Liberal seats out of 74 seats in the province of Quebec in the

next election? Every single Conservative knows that. How come the very same people, the French Canadians and the minority English Canadians in the province of Quebec, are massively voting for the Liberal party according to every poll that has been taken? We must have really pulled the wool over their eyes.

I said that I wanted to finish on the subject matter of the Conservative party position on the Pepin-Robarts commission. I want to go to the next election, and I want something very clear from the Conservative party. I want to be able to quote each and every member who is prepared to stand up and say that they agree with Pepin-Robarts and that the civil rights of Canadians ought to be governed by the provinces. I want to hear the Conservatives say that.

• (2120)

What I am saying, and as far as I know what every member of this government is saying, is that we think the purpose of a nation state is to serve the citizens. The best thing any nation state can do for any citizen is to make sure it is the servant of the citizen and not the master. The only way that can be ensured is by having civil rights enshrined in a constitution. We want civil rights in a nationwide constitution. I would be delighted to hear a Conservative member of parliament stand up and say he wants civil rights to come within the jurisdiction of the provinces. That is why we want a referendum, Mr. Speaker. If the ladies and gentlemen opposite say that referendum is too widespread, that is fine. May they look back, when the referendum is held, and say thank God that referendum was wide enough so that at least the federal government was able to run a referendum that was honest.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, first I have to say that as a good Canadian I was very sad while listening to the speech which has just been delivered by the hon. member for Lachine (Mr. Blaker). I do not exaggerate and this goes beyond any political consideration.

[*English*]

The hon. member who just spoke said that he would happily fight an election on the question of national unity. Let me warn this House that if another election is fought on the question of national unity in a partisan way, it is my sober judgment that it will be a very hollow victory, because I am not sure we will have a country after that kind of election that is worth governing. The hon. member opposite would happily have—

[*Translation*]

—yes, that is quite sad. We will be pleased to—

[*English*]

Mr. Speaker, I would ask you to preserve the rights of all members in a serious debate like this. The hon. member opposite will have his chance to speak, although he rarely speaks in this House.

[*Translation*]

You will try to call an election on the historic issue of national unity, but let me remind you that the next election will be fought on the financial management of our country.

[*English*]

I am not fooling myself. Just take the pulse of the people and the next election is going to be waged on the fact—

An hon. Member: Oh, oh!

Mr. Grafftey: The only reason I am running is to get rid of the worst government the Canadian people have had since confederation. The other reason is we have such a great leader on this side of the House.

Some hon. Members: Hear, hear!

Mr. Grafftey: I have seen hon. members opposite trying to orchestrate an election on the question of national unity. Make no mistake about it, Mr. Speaker, the next election is going to be waged on the issue of the economic mismanagement of this country by hon. members opposite.

The hon. member who just spoke alluded to the fact that he wanted the referendum authority from the federal authority as an arsenal, so to speak, in the federal kit. Was this a Freudian slip? Is he looking into the future, as I am, vis-à-vis the possibility of a federal government saying it has its referendum in its arsenal to fight Mr. Levesque's referendum? If we continue in that style I am going to choose my words very carefully.

Mr. Pelletier: Just negotiate.

Mr. Grafftey: I am not ready to talk about negotiating, but if we get into a situation—

[*Translation*]

—where we have a federal referendum against a provincial referendum, can you imagine what the results would be of such a confrontation in our province?

[*English*]

I am going to deal with that later. I will debate this as I go on tonight, but I categorically say that by admitting that any referendum, be it federal or provincial, has the validity to bring this union to an end is to admit the negotiability of the union called Canada. That is the bottom line of this debate. I say it was a Freudian slip when the hon. member said he wanted the referendum authority for the federal authority.

Mr. Blaker: I meant—

Mr. Grafftey: I do not care what the hon. member meant, speaking from behind the curtain. It is what he said that is important. If we get into a situation as between the federal and provincial referenda on this question, at least in my province, I will tell the House later what I think the results are going to be.

[*Translation*]

Mr. Speaker, 112 years ago, the Fathers of our Canadian Confederation met to unite those two Canadas and lay the foundation of confederation. One thing is sure: they were members of various political parties, and came from different areas of the country.

[*English*]

It goes without saying that the Fathers of Confederation 112 years ago, coming as they did from different political parties and different regions of the country, were obviously proud and were loyal to the various regions from which they came. In a spirit of bipartisan statesmanship and broad vision, however, they gave birth to this country that we today call Canada. I am sure that the one message the Fathers of Confederation would give to us in this House today would be that we should reincarnate that spirit, that bipartisan statesmanship and broad vision—we should bury the hatchet to a certain extent and get on with building a new Canada. We must bury the hatchet and speak together about one Canada.

We are not going to agree on all points, of course. I am as guilty of it as the next person, but quite often I do not like the atmosphere there is in this House. I think each and every one of us in this House is a good Canadian. No one is better than the other. No one indispensable man is going to save this union. No one party is indispensable. If, in a spirit of partisanship, we continue yelling across the floor to each other on this issue, and possibly having a referendum on it, only one person is going to be laughing on his way to the referendum, and that is René Lévesque.

Maybe we have the fathers and mothers of the new confederation sitting in this House today, Mr. Speaker. I think we do. I have friends on both sides of this House who are capable of exhibiting the kind of statesmanship and determination that is going to set this country on new roads. The Fathers of Confederation would be the first to tell us—

[*Translation*]

—to work together here in the House of Commons. In the broader sense of the word, a constitution is, let us say, a political document, in the best sense of the word. But it seems to me, in view of the challenge we now face as Canadian politicians, that we must work together, in the real sense of the word, towards a renewed federalism.

Mr. Speaker, first of all, let me say that it will be very difficult for me to discuss openly what will follow here in the House of Commons, but I start my speech with a deep sense of responsibility as the hon. member for Brome-Missisquoi whose population is about 75 per cent Francophone and 25 per cent Anglophone, a riding where the two linguistic groups of our country live together, as in Sherbrooke, in a true spirit of national unity.

Mr. Béchard: In Bonaventure too.

[Mr. Grafftey.]

Mr. Grafftey: In Bonaventure also. Along the coast of the Gaspé Peninsula, in Bonaventure and several other places. That is proof.

● (2130)

[*English*]

The eastern townships, Bonaventure and other parts of the province, are not necessarily typical as opposed to those areas that are unilingual, be they unilingual French-speaking or English-speaking, but through our historical evolution, be it social, political, economic or constitutional, the people in my part of the world, as the hon. member opposite just said, like in many parts of Quebec, have learned to live together in a true, constructive, and positive spirit of national unity.

National unity in debates like this is quite difficult for me to talk about. It is something that for years people in my part of the country have felt deeply about and deeply believed in. It has dominated our political activities.

[*Translation*]

And I am proud, as is the hon. member for Sherbrooke (Mr. Pelletier) to represent here, in this House of Commons, such a spirit of national unity. But that spirit demands, Mr. Speaker, the word is slightly more English, I know, that spirit demands leadership.

[*English*]

What we find in the eastern townships and in my riding is that when Canadians of the two different language groups get to know each other—it is not always easy because of the make-up of our country—it is living proof of what can be done in a true and constructive spirit of Canadians working together in national unity.

Let us have a good open debate about this. I am no better a Canadian than any member opposite, but if I differ in some details—and after all they are only details—my desire to preserve this union we call Canada is no less than theirs. We are not getting the kind of leadership we need if all we can do here today is draft a referendum, or draft legislation for a referendum, or from a federal viewpoint address ourselves to the proposition of a provincial referendum being held and asking Canadians a question which they do not want to be asked. Hon. members may feel I am presumptuous in saying that. I say this for the second time: Why ask the people of Canada a question, the answer to which we already know? Why ask the people a question they do not want us to ask them?

[*Translation*]

Mr. Speaker, when I took my oath of office here in Ottawa, as an elected member of the House of Commons I promised to

preserve national unity directly and indirectly. Together with hon. members from both sides of the House, I promised also to defend and define—or more appropriately under the present circumstances—redefine the federal entity.

[*English*]

When I was sworn in as a member of Parliament in Ottawa at the beginning of this parliament, I understood directly and indirectly that implicit in being sworn into this House was my promise to the Canadian people at large, and to my constituents in particular, that I was to defend and define—and as the circumstances are here right now, redefine—the federal cause. The people of my constituency never asked me to ask them the most stupid possible question: "Do you Heward, or do the people up in Ottawa want this union to continue?" Continue, my friends, with this legislation and I solemnly warn you in the most bipartisan spirit that you are heading right into a breach of trouble the like of which this country has never seen.

[*Translation*]

When Churchill, President de Gaulle or Roosevelt were faced with real crises, did they rely on referenda? No! In the best and true meaning of the word, they demonstrated leadership, Mr. Speaker.

[*English*]

Governments are called on to lead. Governments are not asked to cop out of their responsibilities by holding a referendum, the results of which will be horrendous.

Some hon. Members: Hear, hear!

Mr. Grafftey: I say to hon. members opposite that we are ready to work with them. There is one clear message which the Canadian people from coast and from north to south are giving us, and that is that the time has come to renew and update a constitution suited to modern times.

Instead of passing this kind of legislation and instead of heading into the kind of trouble which I do not want to contemplate, especially in my particular part of the world—and I will choose my language later—I plead with hon. members opposite to forget this insanity, reach out across the floor of this House and include us in the debate on constitutional renewal. God only knows that much sooner than later and no matter who is in power after the next election, the whole idea of a plebiscite or a referendum could easily become an academic hypothesis. We are called on to lead.

What is the government asking for in this legislation? Is it asking for vague powers to hold a referendum? When I am asked to address myself to a debate, I want to know the ground rules. I want to know with some modicum of precision what I am asked to do. Is this bill about the desire of the government to change unilaterally our constitutional framework? I do not know. I suspect it is not. Most hon. members are honest and realistic enough to say what this bill is about. It is a specific reaction to what is going on in my province. I ask again what every member from this side of the House has asked since this debate was initiated, if that is the case, why not—

[*Translation*]

Why did the government not ask us to co-operate to adopt a referendum bill with better defined intentions?

[*English*]

Sir, at the risk of being redundant and repetitive, something I am told I do far too often, but I guess we are all guilty of doing that—

[*Translation*]

I urge the right hon. Prime Minister to forget this bill as soon as possible.

[*English*]

I ask the Prime Minister to forget this legislation. I hope this message will be transmitted to him. My leader has already, directly and indirectly, referred to the chaos that competing federal and provincial referenda would have vis-à-vis the future of this country.

● (2140)

The hon. member for Kingston and the Islands (Miss MacDonald) referred to past plebiscites. She talked about what the 1928 plebiscite did and what the 1942 plebiscite did vis-à-vis pitting neighbour against neighbour and what it did in terms of setting back the body politic in this country in terms of constructive progress.

This is one of the saddest days in my life as a parliamentarian. It really is. I say this with no partisan gratification; this is a sad day for me. I make no apology for my emotion. I never thought I would see the day when, instead of exercising our prerogative of leadership by defining and defending the federal cause, we would be here discussing a referendum which will ask the Canadian people whether or not they want this nation to continue. What unbelievable foolishness. Let my warning be heard. If we continue on in this foolishness, and you are not going to trick me into using the words I am thinking right now, again I say why?

[*Translation*]

There is your answer, and it would be difficult to have a scientifically conducted poll in the province and the rest of Canada concerning the intentions of the public about a Quebec being inside or outside our great Canadian family or under the well-known sovereignty association formula.

[*English*]

We are discussing something in this House that we should not be discussing. We are discussing whether this nation is negotiable by way of referendum, instead of reaching across the floor of this House and joining forces in a bipartisan way to redefine and renew our federal structures. I know that to date—

[*Translation*]

Have hon. members opposite perhaps already found that out on many occasions? By voting against the bill currently before the House, we do not want to deny the federal government the

authority to deal with the referendum Mr. Lévesque wants to hold in the province of Quebec.

[*English*]

Are we in this House by voting against the bill denying, as the hon. member who spoke before me said, from the federal arsenal a weapon—strong language, eh—that Lévesque already has in his provincial arsenal? Maybe so, but I think not. I cannot influence what is going on in the province of Quebec in terms of whether they are setting up a referendum or what kind of referendum it is going to be.

[*Translation*]

But in a sense I may be able to influence directly and indirectly those who come to Ottawa. I know one thing, if this atmosphere persists in the House over various policies, as I noted a moment ago, there is only one man who stands to gain and that is René Lévesque, the present premier of Quebec.

[*English*]

There is one question that is asked of me by members opposite, admittedly by the public, and very often by the press. Where does your party stand on these questions of national unity, constitutional development, and federal-provincial relations? Maybe in some small detail we differ with members opposite. When I think about, as we say in French—

[*Translation*]

—the main tenets of our policy—

[*English*]

—we are all together as good Canadians. In committee we can discuss our detailed differences on these issues. However, if we are looking for semantic slips or whatever in order to wage an election on this issue, forget Canada my friends. The Fathers of Confederation never did it. Why should we? The crisis, emergency and challenge facing us are no less than the challenge that faced them. I am often accused of being an alarmist. However, even in my part of the world we have slowly come to the realization that time is not on our side.

When the Prime Minister (Mr. Trudeau) was first elected in 1965, I had great admiration for him. I still have a great deal of admiration for him. He is a personal friend. I met him many times in the cafeteria upstairs in this building, knowing that he had the ear of the then prime minister. I told him that I had been in this House for seven years and that I was appalled at the duplication, buck passing and waste as between the federal authorities and the provinces.

Apart from the specific things going on in my province at the time, a succession of Quebec governments were saying this is the last chance for Canada, with varying degrees of nationalistic slogans. I pleaded with the then parliamentary secretary to the prime minister to lend his considerable weight to the urgent demands of the time for immediate constitutional reform. Frankly, he disagreed with me. He said, "Heward, we have a constitution now which provides enough flexibility for what I want to do, and by confrontation with the provinces I would create an atmosphere and mix that would end up in no progress."

We have had 14 years of that kind of confrontation. I am not saying this in a partisan sense, but frankly, Mr. Speaker, every member of this House must realize it has not worked. Nobody can objectively say that it is working very well. The chickens are home to roost and the time has surely come for us to consider that constitutional renewal that we considered 14 years ago. Again I ask, what is the government asking us to pass?

An hon. Member: The bill.

Mr. Grafftey: Does the government want specific power for a specific referendum, or does it want power to alter the constitution unilaterally? There is no substance to this bill. With many members in the past, I have voted against the constitutional implications of orders in council, a bill not having the regulations presented so that we would know the substance of it, or omnibus legislation with many subjects under one heading. The present bill is the final insult. Why not take us into your confidence? What do you want I ask?

[*Translation*]

What do you want? The legislation under study in the House is so vague that I cannot see its substance.

[*English*]

It is very difficult to ask responsible members of parliament on either side of the House to pass legislation that is so vague that the substance will only begin to make sense when civil servants, under the instructions of the government of the day, write in regulations. Frankly, this is a very hard bill to debate. It is so vague that we do not know what the government wants.

• (2150)

[*Translation*]

I have already mentioned the Prohibition Plebiscites Act of 1898.

[*English*]

Then, as the hon. lady from Kingston and the Islands said in her magnificent speech, came the 1942 conscription issue and, by amendment, the Dominion Plebiscite Act of 1942 actually went as far as to write in the question though leaving the time of the calling of the plebiscite to the government of the day. The question and the intent of the act were clear. What it did in substance to our country is another thing.

[*Translation*]

After the plebiscite, the prime minister at that time said: conscription if necessary but not necessarily conscription. Today with such a legislation we may be facing another issue, Mr. Speaker: separation if necessary, but not necessarily separation.

[*English*]

This, Mr. Speaker, is the most disruptive, ambiguous and damaging piece of legislation in this whole area that the government could possibly have brought up. In my appeal for a bipartisan approach to constitutional renewal—I do not think it is too late—let me say this: hon. members opposite

should not dignify the validity of referenda, be they federal or provincial, by passing one here in Ottawa. I have no idea what the provincial referendum is going to be in the province of Quebec. I have no idea.

An hon. Member: And you are ready to take the risk?

[*Translation*]

Mr. Grafftey: I have spoken with several Parti Québécois MNA's and they cannot define the terms sovereignty-association. I agree that sovereignty is the same thing as independence. You have heard, no doubt, our leader's last statement.

[*English*]

I issue a solemn warning to members opposite who want to recreate this issue for short time votes. The Fathers of Confederation said that if this country ever broke up regionally along political lines it would take statesmanship of the highest order to bring it together again. I heard an hon. member opposite say that after the next election there would be no members from my party returned from Quebec. Well, I hope that in the next election he comes to my riding and fights against me. The facts are these, Mr. Speaker. It is true we have only two members from the province of Quebec, but how many does the government have from Alberta, how many have they got from the west? One. And I won't tell you how they got that one, Mr. Speaker.

By emphasizing dualism and forgetting regionalism in the last ten years, the government has gone far toward creating the difficulties we presently face. We are all in it together. But the fact is that there are only two of us from Quebec—

[*Translation*]

—and not many of you in the western provinces. That is another major reason why we should work together for a renewed federalism.

[*English*]

Is that true or false?

Some hon. Members: True.

Mr. Grafftey: Is it true or false that because there are only two of us from Quebec, and hardly any of you Liberals from the west, we should stop the nonsense I am listening to in this House and work together for renewed federalism?

Some hon. Members: Hear, hear!

Mr. Grafftey: When I say a renewed federalism, I mean this, and I want to be very clear—I am not choosing my words, here they are: the people of Brome-Missisquoi in the province of Quebec have given me no mandate whatever to recognize the validity of any referendum, federal or provincial, to take any part of this country out of the nation called Canada. Is that clear?

Some hon. Members: Hear, hear!

Mr. Grafftey: The hon. member for Westmount (Mr. Johnston) speaking in this debate said the referendum would amount to a sort of sophisticated Gallup poll. The *Canadian Press* has reported the Prime Minister as saying on many occasions that the result of a federal referendum in Quebec held under the terms of this federal legislation would be binding on the federal government. What nonsense! What is much worse than saying that by talking to a government that has a mandate for sovereignty association we are ready to negotiate.

[*Translation*]

No referendum, whether provincial or federal, can permit us to put an end to the Canadian union, and I speak on behalf of the whole population of Brome-Missisquoi, Mr. Speaker.

[*English*]

Well, the hon. member says René Lévesque doesn't run there, but I have Péquiste member from one part of my riding and this may possibly answer that question.

[*Translation*]

Mr. Deputy Speaker: The hon. member for Sherbrooke (Mr. Pelletier) on a point of order.

Mr. Pelletier: I have a question for the hon. member for Brome-Missisquoi (Mr. Grafftey).

[*English*]

Mr. Grafftey: I am sorry, but my time is limited. Without drawing a long bow I will attempt to show how ridiculous is what we are attempting to do. In this electronic age it is very arguable that we do not need a House of Commons. I am not going to get into a philosophical debate, as to whether part of the country has a right to secede or the efficacy or lack of efficacy of referenda in a so-called British parliamentary system. But it is a fact of life that in an electronic age, leaving aside Mr. Orwell's 1984, it is highly conceivable that within two hours we could ascertain public opinion on any issue facing the country as a result of people voting from their living rooms. If members want to get into that type of direct democracy, even political parties today could pay for more sophisticated polls than the Gallup polls. You know, Mr. Speaker, and I know it. Electronic polls could be held on any issue.

The most serious plea I have ever made in my public life is to ask members opposite to forget this insanity. It is absolute insanity. I have talked to Canadians of both linguistic groups across my province, and I can only say that by dignifying the validity of referenda along the lines of the bill before us the government will be giving Mr. Lévesque a weapon that he never expected to have. He has said he will continue to hold them provincially until he wins. So let us get together and defend and define the federal cause. We shall be doing that not by asking the people questions they do not wish to be asked but by working together for that degree of constitutional renewal Canadians are seeking.

I thank you, Mr. Speaker, for the opportunity of addressing this House on the most serious issue on which I have ever expressed myself in this chamber. I trust we can get this

debate sooner, rather than later, on a bipartisan road for the good of our country and for the good of the people we are meant to be governing.

Some hon. Members: Hear, hear!

● (2200)

[*Translation*]

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I am very glad to have this opportunity to contribute to this debate, but in view of the time and since the clock will not stop to allow me to say in three minutes what would take much longer, I believe I shall have to limit myself to a few preliminary comments. One of these preliminary comments is in reply to the hon. member for Brome-Missisquoi (Mr. Grafftey). Mr. Speaker, I have rarely seen anyone lose himself as completely in side issues as he did when he accused us of wanting to stage an election on a so-called problem of national unity. I suppose he imagines there are no national unity problems in Canada even though Quebec has a government which was elected by proposing an option which would separate Quebec from the rest of Canada. The hon. member for Brome-Missisquoi solemnly stated in the House of Commons that there is no national unity crisis in Canada.

[*English*]

Mr. Deputy Speaker: Order. I regret to interrupt the hon. minister, but it is time for the adjournment debate.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

THE CANADIAN ECONOMY—"THE ROAD AHEAD" CIRCULATED BY FORMER MINISTER OF FINANCE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, the adjournment debate in which I take part tonight arises from an exchange in this House between the Minister of Finance (Mr. Chrétien) and I on December 21 last. At that time I referred the Minister of Finance to the latest of the letters which had been sent out by his predecessor twice removed, Mr. Turner, with respect to the haphazard, inadequate, and inept handling of the economy on the part of this government, and I was very much surprised to find that rather than dealing with the substance of Mr. Turner's comments concerning the Canadian economy and the inadequacies of the government, the Minister of Finance chose to use quips to try, somehow or other, to conceal the true impact of what Mr. Turner had been alleging.

Hon. members will recall that the Minister of Finance said that the letter to which I was referring, as he said was the case with other Turner letters, amounted only to a gossip column which one could get from any newstand in Toronto for 15 cents. I pointed out to the Minister of Finance at that time that the price was not 15 cents but that it was actually $15,000 to each of the corporate elite to whom Mr. Turner had been sending this information, and that in truth Mr. Turner had been making substantial revenues from circulating his comments concerning the government to this group of corporate brass of executives at $15,000 each. It was estimated that there may have been 12 to perhaps as many as 20 recipients.

I put a further question to the Minister of Finance, and again he made an offhand comment concerning the letters. The reason I asked that this be put down for adjournment debate is that I feel it is not so much a matter of embarrassment to the government to have a former minister of finance, who in many quarters is still respected, making comments concerning the present economic stance of this government—that perhaps is secondary—but to me the important thing is that these comments are being made not only by Mr. Turner and not only by economists from coast to coast but also in questions and speeches in this House continually, yet the government is evading the answers.

The government is not levelling with the Canadian public. Why, for example, is our dollar now in the 83 cent range, the lowest level it has been at on an average annual basis for over 120 years? Why, over the last few years, has our economic performance been worse than that of any of the major industrial nations of the world? The November 16 budget of the Minister of Finance forecast a $25 billion deficit for this year and the coming year. That happens to be a deficit on non-capital expenditures amounting to 25 per cent of the total expenditures of the government over the next two years.

● (2205)

Without any hesitation, on November 17 and continually thereafter, we in this party have said that that is an intolerable deficit, and that the government must answer to the Canadian public as to why it has been totally inadequate in curbing that deficit. That is the position of my party.

If the Minister of Finance does not have the courage to come into the House tonight and answer the question as to why the government has put us into this type of deficit position, at least his parliamentary secretary can somehow or other bring the word. Surely it is not enough, day in and day out, to question the Minister of Finance concerning not only the falling dollar and the $25 billion non-capital deficit which he forecast for the nation this year and next, but also concerning rising inflation, rising unemployment and the current account deficit.

In a document entitled "The Road Ahead", the former minister of finance, Mr. John Turner, indicated the following at page 3:

Finally, there is apparently a mood for a pro-business budget—The crux is the size of the federal deficit. The government does not wish it to exceed the present public projection—

As far as the public is concerned, the crux is the intolerable deficit which the government has asked Canadians to bear. I will be interested in hearing the remarks of the parliamentary secretary tonight. How can he justify the 25 per cent of the total expenditure deficit? As I have said, it is revealed in the November 16 budget.

In a nutshell, it is time for the government to be candid with the Canadian public. If it has mismanaged the public purse, it is time to admit it, ask for forgiveness, and have an election to clear the air. As Mr. Turner has said, it is intolerable to have the present inadequate handling of our economy without an election, although an election has been anticipated for 18 months. Let us clear the air. Perhaps a vote would do it.

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in the few minutes available to me this evening I should like to illustrate some ways in which the Canadian public has been very well served during the tenure of the last five Liberal ministers of finance, Messrs. Sharp, Benson, Turner, Macdonald, and the present day Minister of Finance (Mr. Chrétien).

During the period 1968 to 1977, personal disposable income per capita increased as much as 118 per cent. Real per capita disposable income rose 52 per cent, which was more than double the increase in the United States. During 1968 to 1978 the number of Canadians living below the poverty line was cut by half. From 1973 to 1976 the OECD reported that Canada had the third highest rate of growth in the western world. Further, the OECD reports that Canada's per capita income of $8,400 is third among major industrialized countries, and the United States was fourth. Each year during the 1970s Canada created more new jobs than any other major industrialized country. The increase averaged 3 per cent in Canada, 2 per cent in the United States, and less than 1 per cent in Japan and Europe. In 1978, ten million Canadians were working, whereas in 1968 7.5 million Canadians were working. From July, 1977, to July, 1978, 422,000 new jobs were created in the country.

Finally, I should like to refer to the opinions of a distinguished member of the Conservative party, the former treasurer of the province of Ontario, in terms of the economic policy of the opposition, wherein he said the following:

Former Ontario Treasurer Darcy McKeough emerged from six months of private life on the weekend to chastise federal Conservative leader Joseph Clark for suggesting the need for a larger deficit.—

The reference to the federal opposition leader was brief, but significant because it was made at a dinner in his honour before an audience that included Premier William Davis, several provincial cabinet ministers and many prominent Chatham-Kent Tories.

● (2210)

Let me further quote:

In an interview Mr. McKeough said he is alarmed with the federal Conservative party's stand on the deficit. It is nonsense to think that the tap can be turned on and just as quickly turned off—

Mr. Speaker, I simply want to say that the record of this government stands on its own merit.

CANADIAN BROADCASTING CORPORATION—RADIO AND TELEVISION SERVICES IN ENGLISH AND FRENCH

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, last Friday I asked the Secretary of State (Mr. Roberts) what he had done and what more he planned to do to hasten the full implementation of the CBC's so called accelerated coverage plan. The question I asked was prompted by a recommendation of the Task Force on Canadian Unity. As a matter of fact it was the first of the specific recommendations in the document entitled, "A Future Together". What the specific recommendation said was that the principles of equality, status, rights and privileges of the English and French languages for all purposes declared by the Parliament of Canada within its sphere of jurisdiction should be entrenched in the constitution.

Among the purposes referred to was No. 5, namely, the right of every person to have access to radio and television services in both the French and English languages. Allow me to show how the accelerated coverage plan, the ACP, is designed to meet the need and fulfil what this Liberal government already regards as the right of Canadians.

The ACP is a plan for accelerated extension of television and radio services in Canada. The terms of reference for the ACP are as follows: to provide CBC national service in the appropriate official language, English or French, to all unserved areas containing 500 or more people which can be covered by a single radio or television transmitter, and those points presently inadequately served and, secondly, to complete the implementation of the plan within a five year period from the date of approval.

Mr. Speaker, the memo which I have outlining the terms is dated December 3, 1974. Thus, by the end of this year the detailed plan for each region should be fully implemented. On this memo from the CBC there is written in alongside this term of reference a note which says "will be considerably more". That is to say, the time schedule of the CBC is not about to be met; the plan is not on target with respect to time. One could ask, what else is new? Governments and their agencies are rarely on time unless we have a crisis of some kind on our hands.

There is more to my complaint than that. This plan, which was to take five years to complete, was at the very beginning started with the CBC holding meetings with representatives of each region to ensure there was local and regional input. This was to be used in the development of the plan. From this work a detailed plan for each region took effect. Included among the topics discussed at these regional meetings was that of the priority of the projects within the five year time span. French-speaking Canadians living in northwestern Ontario, where they constitute in many communities a majority of the population, or at least a significant percentage, were told their need for French language radio and television was of the highest priority and they would begin to enjoy this service at the very

latest by the end of year three of the plan. That means they should have had the service by Christmas of 1977. There is some vague hope that it may come by Christmas of this year, but the degree of commitment by CBC to the accelerated coverage plan is very vague and uncertain.

I have the great privilege of representing in my constituency a great many Franco-Ontarians, and I hope in the future to represent many more as the boundaries of my constituency are pushed into north-eastern Ontario. Franco-Ontarians are a patient, tolerant, and good natured group of people who have contributed much to the economy of northern Ontario, particularly in the forest products industry, as entrepreneurs and as professional people. It has been a struggle for them, however, to maintain the use of their language in Ontario where there is but one official language, namely, English.

● (2215)

The province of Ontario has been rather slow in many cases to provide educational facilities and other services in the French language. Of course, the situation is improving, but Ontario at this time extends no statutory rights to the French-speaking people of the province in terms of the right to use their language and to have services in that language.

Very recently a private members' bill to that effect was given second reading in the Ontario legislature. The premier made it clear, however, that there would be no way in which the bill would be brought forward for third reading and passed into law. The bill was not designed to make Ontario a bilingual province, but to give Franco-Ontarians service in their own language where there was a significant number and where there was a demand for the use of the French language.

Franco-Ontarians have learned to expect little from Queen's Park, but they do have high expectations of the federal government. There are federal agencies and departments which are bilingual in the main, but there is a strip of northern Ontario running from Sault Ste. Marie up to Nakina on the main line of the CNR where a significant number of French-speaking Canadians live, and they are still waiting for the CBC French language radio and television network they were promised. Some of these communities have a French-speaking population to the extent of 60 per cent or more. They believe that a promise was made and that there was a commitment, but the service they were told they would get is not yet there.

They are beginning to get a sense of impatience, and that is quite understandable. Recently an unlicensed service has done something to fill the void, but CBC must be instructed to meet their obligations. Additional funds were voted by parliament for the accelerated coverage plan. We know that it is an extensive plan and that there are many difficulties. However, my colleagues and myself have been frustrated in our efforts to speed up the implementation of the ACP. Therefore I would ask the Secretary of State to use his office to make it clear to the CBC that this plan is of the highest priority, and in the name of national unity the CBC should step on the footfeed and get the accelerated coverage plan completed.

Mr. Robert Daudlin (Parliamentary Secretary to Secretary of State): Mr. Speaker, I would commence by reiterating to the hon. member the words the minister used in a response to that question just a few days ago, that he shared the concerns of the hon. member and that, indeed, the hon. member has been tenacious in trying to ensure that in fact the schedule which was attached by the CBC to the ACP program would be adhered to if at all possible. In addition to that, the minister has made the increase he indicated he would make and, although they have been preliminary by way of response to date, the CBC has provided some information which I would gladly provide to the member this evening.

The CBC takes the position and relates that in fact the accelerated cover plan is designed to ensure that CBC radio and television service will be extended to all communities where 500 or more people are unserved or inadequately served in the appropriate language. The ACP is implemented under a strict formula system of priorities which takes into account such factors as population, capital and operating expenses, provincial equalization, and geographic and cultural isolation. Implementation is, in this way, as fair and equitable as it can be made. All communities identified for inclusion in the ACP are listed according to their priority under this formula, and "community" in this case also means minorities within a larger language group, such as the French-speaking population of Thunder Bay and the English-speaking population of Chicoutimi.

Provision of funds for the implementation of the ACP is made within the CBC's regular capital and operating budgets. As for the plan itself, it was originally to be completed in the period 1974 to 1979. A number of factors, however, have brought about a stretching out of that period by approximately three years. These factors include a sharp rise in costs, which are now approximately double the 1975 estimate, and the difficulty of finding enough qualified technical personnel for the installation of the more than 600 transmitters involved in the plan. Other factors were delays in the production by the electronic industry of the necessary equipment and budget constraints in 1978-79 and 1979-80.

● (2220)

I realize that this is not as complete an answer as the hon. member would require, Mr. Speaker, but it does give some kind of revised estimate in terms of the implementation time. It is something that both the minister and the hon. member would want to pursue when this matter comes before committee during steady of the estimates.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.21 p.m.

HOUSE OF COMMONS

Tuesday, January 30, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

DEVALUED CANADIAN DOLLAR—REQUEST FOR COMMITTEE STUDY—MOTION UNDER S.O. 43

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I rise, under the provisions of Standing Order 43, to seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

Since the fall of the Canadian dollar has had more impact on the Canadian economy than any budget that has been introduced in the life of this government, but the plight of the dollar has been kept away from debate in parliament, I move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

That the government make an immediate reference to the Standing Committee on Finance and Economic Affairs to allow for a full discussion of the reasons for and the impact of the falling dollar, and that the committee be empowered to call witnesses, including the minister, the governor of the Bank of Canada, representatives of the chartered banks and representatives of the financial institutions which have acted for the government in their foreign exchange transactions.

Mr. Speaker: In accordance with the provisions of Standing Order 43, the introduction of such a motion for debate at this time requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FOREIGN INVESTMENT

STEPS TO ENSURE FOREIGN-OWNED COMPANIES BECOME GOOD CORPORATE CITIZENS—MOTION UNDER S.O. 43

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I rise on a matter of urgent and pressing necessity to move a motion under Standing Order 43.

The Minister of Energy, Mines and Resources (Mr. Gillespie), in Toronto during the weekend, with regard to guidelines to control the operation of foreign-owned companies in Canada, is quoted by the Canadian Press as saying:

Very little effort has been made to inform foreign-owned corporations of the rules, and certainly nobody has ever tried to check whether there's been any compliance. The frustrating thing about all of this is that I had a tough fight in cabinet to get my guidelines approved, and it's all come to nothing.

Also, a senior official in the Department of Industry, Trade and Commerce is quoted by the Canadian Press as saying:

Everyone you ask here about the Gillespie guidelines gives a Trudeau-like shrug and a broad grin, and it seems nobody's given it a second thought since 1975.

Mr. Speaker: Order. If the hon. member has a motion, would he please put it.

Mr. Hees: I have just arrived at it, Mr. Speaker. I therefore move, seconded by the hon. member for Parkdale (Mr. Shymko):

That this House direct the Minister of Industry, Trade and Commerce to ensure that foreign-owned companies are advised without delay what their responsibilities are as good Canadian corporate citizens, and that steps are taken by his department to ensure these responsibilities are carried out in a satisfactory manner, so that Canadians may derive the greatest possible benefit from the foreign capital invested in this country.

Mr. Speaker: Such a motion can be introduced for debate at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

STATUS OF WOMEN

REQUESTED IMMEDIATE REMOVAL OF DISCRIMINATORY EMPLOYMENT POLICIES—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43.

Considering that women are still discriminated against in so many aspects of work in Canada, including that within the federal government, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of National Defence be complimented on his improvement in the work situation for women in the Canadian armed forces by recognizing, among other things, that women, as well as men, will now have the right to fly with the armed forces and, further, urges the government to remove immediately other sexually discriminatory policies.

Mr. Speaker: The introduction of such a motion for debate at this time, pursuant to Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

S.O. 43

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

CONGRATULATIONS ON COVERAGE OF PEPIN-ROBARTS REPORT—MOTION UNDER S.O. 43

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the fact that the CBC must faithfully report all newsworthy items, always adopt an unbiased attitude when broadcasting conflicting approaches to important events, and make a point of maintaining a non-partisan balance between the various opinions expressed, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the Speaker of the House send a letter to the president of the Canadian Broadcasting Corporation to congratulate him for the coverage which was given to the Pepin-Robarts report on the eleven o'clock news last Thursday night and Friday night, and again during a special program where the activities of the week were summarized; to congratulate him, I said, for having wilfully failed to broadcast the views of the Social Credit Party of Canada.

The corporation thereby maintains its high standard of fairness at the expense of the party which represents the official Quebec opposition in the House.

Mr. Speaker: The House has heard the hon. member's motion. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

GRAIN

INCREASE IN INITIAL PRICE FOR WHEAT—MOTION UNDER S.O. 43

Mr. Jack Murta (Lisgar): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Due to the fact that world wheat price and markets are relatively stable at present, with grain selling at well above initial prices, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That the government give authorization to increasing the initial price for wheat by at least 50 per cents per bushel.

[Mr. Speaker.]

Mr. Speaker: This motion can be presented for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

ESTABLISHMENT OF NEW NATIONAL ENERGY POLICY—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax-East Hants): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Because of the tremendous increase in the cost of energy in Nova Scotia and other eastern provinces resulting from the escalation in the world price of the oil required for generation of electric power, some industrial plants are unable to continue in operation in competition with those in provinces with lower energy costs. Accordingly, I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That this House direct the government to consider the establishment of a new national energy policy which would provide assistance so that the cost of energy to industrial and other users in one province will not exceed the national average cost of energy.

Mr. Speaker: Is there unanimous consent for the presentation of such a motion for debate?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CONSUMER AFFAIRS

INCREASES IN FOOD PRICES—MEASURES TO PROMOTE GREATER FOOD SELF-SUFFICIENCY—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, yesterday the Anti-Inflation Board reported that food prices went up by some 19 per cent in the past year.

In order to promote more stability in production and prices both for the farmer and the consumer, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urge the Minister of Agriculture and the Minister of Consumer and Corporate Affairs to prepare concrete proposals for the coming food strategy conference which will promote greater food self-sufficiency in Canada.

Mr. Speaker: Presentation of such a motion for debate requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

WILDLIFE

REQUEST INHUMANE TRAPS BE BANNED—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, in recognition of the unnecessary and cruel suffering endured by millions of "wanted" fur-bearing animals in this country, as well as countless others of God's creatures who are annually trapped and endure excruciatingly painful deaths by means of the leg-hold trap, I move, seconded by the hon. member for Halifax-East Hants (Mr. Crosby):

That this House does forthwith instruct the minister of the environment to utilize the full power of his department to ban this inhumane instrument of torture from the forests of Canada.

Mr. Speaker: Introduction of such a motion for debate, in accordance with the terms of Standing Order 43, can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

DEVALUED CANADIAN DOLLAR—REQUEST FOR COMMITTEE STUDY

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is to the Prime Minister, who will know that the value of the Canadian dollar is down again today.

Since there has been no parliamentary opportunity for detailed discussion on either the reasons for or the impact of the fall in the value of the Canadian dollar, I wonder if the Prime Minister would care, today, to make a reference that will allow the appropriate standing committee of this House to examine the reasons for and the impact of the falling dollar? That reference would include an opportunity for the committee to examine all the relevant witnesses and documents.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, of course, it is not correct to say that there has been no opportunity to discuss this. In the first months of the session there were several occasions, such as the speech from the throne debate and the budget debate. There is now before us on the order paper an occasion to discuss this subject in the budget bills of the Minister of Finance. Before mid-March, there will be some seven opposition days when they can put this subject up for debate.

● (1415)

I would welcome such a debate, Mr. Speaker. I am looking forward to seeing how the Leader of the Opposition will

explain the increased budget deficits that he proposes will lead to a stronger dollar.

Some hon. Members: Hear, hear!

Mr. Trudeau: I would like to know how he deals with the advice that he has just received from Mr. McKeough, the former treasurer of Ontario. These are very vital questions for the future of the country and I hope we will have such a debate.

Mr. Clark: Mr. Speaker, I will begin to worry about advice received from former ministers of finance when that advice comes in the form of a newsletter.

Some hon. Members: Oh, oh!

Mr. Clark: What the house will know is that the Prime Minister of Canada has once again denied an opportunity for the kind of detailed investigation of the policy relating to the dollar which would allow us to call witnesses, such as the governor of the Bank of Canada, such as Mr. McLaughlin and a number of others who are expressing great concern about the dollar policy of this country. The fact is that this government has lost about $5 billion in reserves and has no domestic reserves left, leaving Canada in a situation where our entire foreign exchange operations are being financed by foreign borrowing.

My question to the Prime Minister is: since this unnecessary secrecy has led to great uncertainty and has probably led to a dollar that is much lower than it need be, will the Prime Minister of Canada give us an undertaking, today, to open up that secrecy, even a little bit, and require that the government publish on a weekly basis trading figures relating to the Canadian dollar?

Mr. Trudeau: Mr. Speaker, this question is absolutely misleading; I hope members of the House realize that.

An hon. Member: Poor boy.

Mr. Trudeau: Not only on all the occasions that I have indicated has there been an opportunity for debate on this subject, but if the Leader of the Opposition or one of the other of his finance critics and advisers want to ask questions of the Minister of Finance, of the deputy minister or the governor of the Bank, there is a standing committee on finance of this House and the Leader of the Opposition can attend it, make his views known and ask questions.

Mr. Clark: Mr. Speaker, the Prime Minister pretends he does not understand the rules of this parliament and pretends that his government has not denied a reference to the standing committee that would allow this kind of discussion.

Given the dollar crisis that is the most severe in the history of this country, what we are asking for is an opportunity for the truth to be told so that Canadians will have all the information on what has led to the dollar policy and the dollar situation now and will know the reasons why people like the Deputy Minister of Finance and the governor of the Bank of

Canada are saying that the fall in the value in the dollar is contributing to a least one-third of the inflation that Canada faces.

I want to deal with that matter specifically now. Since that statement has been made by both the governor of the Bank of Canada and by the present Deputy Minister of Finance, will the Prime Minister give an undertaking, now, that he will table in this House of Commons the reports and studies on which the estimates of the governor of the Bank of Canada and the Deputy Minister of Finance were based which led them to conclude that the fall in the value of the Canadian dollar has contributed to at least one-third of the inflation we now face and which could lead to serious new inflation? Will he table those studies, or will he keep that information secret too?

An hon. Member: And cover it up.

Mr. Trudeau: Mr. Speaker, it is so unsecret that I answered a question yesterday, or the day before, put by the Leader of the New Democratic Party and I conceded that the falling value of the dollar had indeed increased the CPI. So there is no secret about that. In so far as questioning the governor of the Bank is concerned, the Leader of the Opposition is obviously showing that he does not know what is going on. The governor of the Bank of Canada is in front of a parliamentary committee; he is testifying in front of the standing committee on finance of this House.

An hon. Member: No, he is not.

Mr. Trudeau: If the Leader of the Opposition wants to go there and ask some questions, he just has to do it.

Mr. Clark: Mr. Speaker, the Prime Minister does not understand the difference between the Senate, before whose committee the governor of the Bank is testifying, and this House of Commons.

Some hon. Members: Hear, hear!

Some hon. Members: Shame.

Some hon. Members: Oh, oh!

Mr. Clark: What this House wants is the opportunity that the Senate now enjoys, to question the governor of the Bank of Canada, to question the minister and to question other officials—

Some hon. Members: Hear, hear!

Mr. Clark: —who have information on this matter. I ask the Prime Minister once again, will he not make a reference to a standing committee of the House of Commons of Canada to allow us to examine these witnesses and to look at all the reports which must have been compiled in the Department of Finance and in the Bank of Canada, so that the people of Canada will have some idea as to exactly what the implications will be of this calamitous and continuing fall in the value of the Canadian dollar? Will he give us the rights the Senate now enjoys?

Mr. Trudeau: Mr. Speaker, the Senate is enjoying these rights after the House of Commons has enjoyed these rights.

Some hon. Members: Hear, hear!

Mr. Trudeau: The governor of the Bank has been in front of a committee of this House. There are officials now in front of another committee of this House, studying the Bank Act.

The Leader of the Opposition is just beginning to catch on to a problem. He realizes that he did not ask the questions when the governor was here in front of a committee of this House and now he is complaining that the governor is talking to the Senate. We can have the governor come back before the committee when the Leader of the Opposition makes up his mind.

Some hon. Members: Hear, hear!

An hon. Member: They are not doing anything.

● (1420)

VALUE OF CANADIAN DOLLAR IN RELATION TO OTHER CURRENCIES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is to the Prime Minister, who must know that when the questions that he was referring to were attempted to be asked, they were ruled out of order at the committee.

The Prime Minister seems to want to fill us in on what is happening in the world. Can he indicate why the Canadian dollar, in relation to the American dollar, has fallen 15 per cent in the past two years, while the Japanese yen has gone up 77 per cent in relation to the Canadian dollar, the British pound is up 36 per cent and the deutschemark up 51 per cent? Why has the international market passed such a devastating verdict on Canada to make ours the softest currency of any of the industrialized countries?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this may call for a long answer, but I will begin to give it. If you allow me, Mr. Speaker, I will try and explain some of the basics of economics to the hon. member.

Some hon. Members: Oh, oh!

Mr. Trudeau: When a country chooses to protect its currency by having very restrictive monetary policies which slow down the growth of the economy, it can indeed have a high-value currency. The problem is that this tends to create unemployment.

Mr. Gillies: Like Japan and Germany.

Mr. Trudeau: The hon. member says, "Like Japan and Germany".

Mr. Gillies: The point is there is no unemployment in those countries.

Mr. Trudeau: The hon. member says there is no unemployment there. When you can ship your unemployment out of the country, as is the case, for example, in Switzerland or Germany—it was the case when they were protecting their currencies—it is reasonably easy to have a restrictive growth and ship your unemployment abroad. Then you have a strong currency.

In the case of Japan, they do not ship their people abroad; they force the employers to keep them employed, and the workers in the plant take reduced salaries in order that everyone keeps working. There are various techniques that have been used, about which members opposite do not seem to be informed. However, you have to make a choice. If you want to continue creating jobs, as this country has, and it has created 428,000 jobs year over year—

Some hon. Members: Hear, hear!

Mr. Trudeau: —this means not following the restrictive monetary policies that some of these countries have followed. It has been our choice to make sure that Canada continues to produce jobs at a rate which is faster than any of the industrialized societies.

Mr. Stevens: Perhaps if the Prime Minister would continue his lecture, he could tell the House what exactly is the full impact of the falling dollar in relation to world currencies. Yesterday he indicated that import prices go up. Would he also tell us the impact on Canadian-produced articles such as lumber, metals and certain food products which are priced on a North American basis and which have risen on an American dollar expressed basis to a very high price as far as Canadian consumers are concerned? Would the right hon. gentleman tell us about the impact on the Canadian consumer of his choice to let the dollar fall?

● (1425)

Mr. Trudeau: I have just answered that. Of course, when the dollar falls, the price of imported products—

Mr. Stevens: Canadian products.

Mr. Trudeau: —the price of imported goods and substitutes for them tends to differ; they cost more to the consumer. In terms of exports, it means that Canadian goods are more competitive on international markets; that we are selling more on international markets and consequently creating more jobs in Canada. This is one of the beneficial effects of the lower dollar.

Of course, unless we are going into a two-price export products structure, which I do not believe the opposition is advocating, it does mean Canadians will be paying more for goods which are higher priced on international markets.

Oral Questions

FOREIGN INVESTMENT

MONITORING OF PERFORMANCE OF FOREIGN-CONTROLLED COMPANIES IN CANADA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have two questions for the Prime Minister. I note with interest his new-found concern with job creation. In that context, I should like to say, as a preamble to my questions, that in 1975 the then minister of industry, trade and commerce tabled a set of guidelines designed to ensure that benefits to Canada from the performance of foreign-controlled firms would be improved. Among these were increased research and development at home, increased exports and further processing of natural resources: in short, more jobs.

Considering that senior officials in that department confirmed yesterday that absolutely no monitoring of foreign-controlled firms had been done since 1975 to ensure that these objectives were fulfilled, why has the government so completely failed in the stated course of action it established almost four years ago?

Right Hon. P. E. Trudeau (Prime Minister): The question is somewhat contradictory. The Leader of the New Democratic Party speaks about my "new-found concern" for creating jobs. I can tell him that throughout the seventies this government and the Canadian economy have had the best record of any industrialized nation in terms of creating jobs.

Some hon. Members: Hear, hear!

Mr. Trudeau: That is a matter of statistical record. I see the Leader of the New Democratic Party shrugs about that. He does not like performance; he just like words about the future. Regarding the future, these guidelines were established by the then minister of industry, trade and commerce precisely in order to contribute to a larger pool of job creation. The figures show he has been partly successful.

The hon. member says there has been no monitoring. Of course there has been monitoring; there has been monitoring of all the firms reviewed by the Foreign Investment Review Agency. The very statement from which he has read indicates that FIRA has beefed-up its capacity for monitoring the application of such guidelines. As far as other areas are concerned, I take the point that there has not been sufficient monitoring. If some firms say they have not been following the guidelines, and others say they have we shall take note of it and make sure that more and more of them do follow the guidelines promulgated at the time by the then minister of industry.

Mr. Broadbent: The Prime Minister says the government has created more jobs than other countries. The reality is that it had to do so because of the higher level of unemployment than other countries—a million short in terms of jobs.

An hon. Member: Very convoluted.

Mr. Broadbent: The Prime Minister has indicated that FIRA rates the performance of newly-established foreign investment. That, as we all know, is inadequate.

The question had nothing to do with that. The question pertains to the existing foreign-owned firms to which the then minister applied his guidelines in 1975 but which are not being enforced now.

● (1430)

Will the Prime Minister confirm that there has been no enforcement or monitoring, and will he therefore admit that his own government's inaction has produced many fewer jobs than it could have?

Mr. Trudeau: Mr. Speaker, I find that the Leader of the New Democratic Party is not very convincing when he says "Sure we have created more jobs than any other society, but we have done so because we have had to". Of course we want to create as many jobs as possible but that is what we have done. To say that we had to do it is not any form of praise or blame, because there are many other countries with very high rates of unemployment which should be creating jobs but which are not.

Mr. Broadbent: Like Germany or Japan? Which ones have high unemployment?

Mr. Trudeau: I just spoke about two particular countries which reduced their unemployment figures by sending their unemployed back to Portugal, Spain or Yugoslavia. We do not do that in Canada. Workers come here and they get jobs, but we do not exile them just because they become unemployed. This is not our way of doing things, and I do not suppose it is something the Leader of the New Democratic Party would propose.

We have these guidelines. They apply in the case of newly-established firms which came under FIRA. They apply to the others. If they have not been applied with enough force and stength, I will ask the Minister of Industry, Trade and Commerce to report on this and to make sure that the guidelines are adhered to. I merely say that the promulgation of those guidelines must have produced some results, since it coincided with the period when Canada created jobs at a faster rate than that of any other industrialized society.

Mr. Broadbent: Mr. Speaker, Sweden, Norway, Denmark, The Netherlands and Japan all have less than half the unemployment rate of Canada, and they have not exported one worker. The Prime Minister cannot get away with that foolish argument.

I see that the Prime Minister is getting some information from the minister who ought to have been acting on this. One of the major areas of concern about foreign-controlled firms has been the failure to pursue export markets. Would the Prime Minister confirm that the $12.3 billion deficit in trade in finished products in 1978, which meant the loss of thousands of jobs, is the direct result of the government's failure to implement its own policy which was announced almost four years ago by the minister?

Mr. Horner: You don't know what you are talking about.

Mr. Trudeau: Mr. Speaker, I have not seen a recent report on how these guidelines are being applied. The hon. member reads from a newspaper article which apparently is based on some conversation with the Minister of Energy, Mines and Resources.

The very fact that the former minister of industry, trade and commerce issued those guidelines, and the very fact that he is suggesting that they could be implemented with greater strength, is a positive indication and I certainly support him. If there is some falling back on the implementation of these guidelines, I am sure the present Minister of Industry, Trade and Commerce will take note and implement the guidelines with greater force. However, they are there, and basically what the Leader of the New Democratic Party is doing is congratulating the government for having had the foresight to bring in these guidelines which will continue to be applied.

* * *

[*Translation*]

AIR TRANSPORT

ACQUISITION OF NORDAIR SHARES BY AIR CANADA—MINISTER'S POSITION

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is for the Minister of Transport.

According to an article published in this morning's *Le Devoir,* Air Canada president Claude I. Taylor has stated that Air Canada rather than the Minister of Transport will make the final decision regarding Nordair and the fate of regional transportation. If that is so, can the minister tell us if he has in fact sent the Nordair file to Mr. Taylor or if he intends to do so shortly, and who will decide the fate of Nordair and of regional transportation in eastern Canada.

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not think the hon. member has an accurate report of what Mr. Taylor said. Indeed, Mr. Taylor is seeking proposals in relation to the shares of Nordair which Air Canada has acquired at my suggestion.

It is my interest to follow up on the various offers which appear to be ready to come forward, as quickly as possible and to do so without necessarily awaiting the actual transfer of those shares to the government, which had been mentioned earlier. So those offers will come in and will be assessed, I am sure, by Air Canada and the government together.

THE CANADIAN ECONOMY

RATE OF ECONOMIC GROWTH—EFFECT OF HIGH INTEREST RATES

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the right hon. Prime Minister. Is the Prime Minister seriously suggesting that those countries which have strong rates of economic growth are really working against the well-being of the world economy by exporting their unemployment?

If this is so, why did the government agree, at the meetings in London and Bonn, to try to achieve a 5 per cent real rate of economic growth in Canada, which has a "prosperous" economy? How can the Prime Minister possibly suggest that the countries which have strong balance of payments positions are somehow working against the well-being of the world by exporting their unemployment?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I never made any such suggestion. I never argued that those who, to quote the hon. member's question, had a strong rate of economic growth were working against the benefit of the world economy. On the contrary, we are all trying to achieve a faster economic growth. I point out to the hon. member that according to the OECD, Canada had, on average, a rate of growth over the past ten years which was among the two or three best of all the industrialized societies. I do not see why the hon. member should ask the question he asked.

Mr. Gillies: Mr. Speaker, without pursuing that particular argument—

Some hon. Members: Oh, oh!

Mr. Gillies: Mr. Speaker, the suggestion of the Prime Minister is so preposterous that it is hardly worth considering.

In the last two or three years, Canada made commitments at London and at Bonn to try to achieve a rate of 5 per cent growth. We are going the other way. Why are we following a high interest rate policy, which will slow our rate of economic growth?

Mr. Trudeau: Mr. Speaker, many times the Minister of Finance, myself and other ministers have said what is obvious, I think, to most observers of industrialized societies, including all those who met at Bonn, before that London and before that Puerto Rico. There are two difficulties at hand in our free market societies: one is high unemployment and the other is high inflation. We realize that if we fight just one, we can be successful, but then we lose on the other.

Mr. Broadbent: You are losing on both.

Mr. Trudeau: All I am saying is that Canada, on the over-all balance, has performed better than most.

Some hon. Members: Oh, oh!

Mr. Trudeau: The record is there. The House was reminded of it again by the Parliamentary Secretary to the Minister of Finance in his speech last night, if hon. members want to look at *Hansard*. The record is there. I am just saying that one country, like Germany—Switzerland is an even better example—can concentrate on fighting inflation and that can be done by having a tight monetary policy. There can be success, provided unemployment does not follow from that tight monetary policy.

Switzerland does not have to be bothered about unemployment because hundreds of thousands of unemployed have been asked to leave the country. That is all I am saying. In Canada we do not do that and we do not want to do that. That is why we cannot think just of protecting the dollar and fighting inflation at the cost of creating high unemployement. We have to have a balanced approach to these problems. Obviously, the opposition will not be able to solve them because its answer is to increase the deficit.

Mr. Gillies: Mr. Speaker, it just seems to me to be preposterous that the Prime Minister should be reading the economic situation in this way. The reality in Canada is that we have high unemployment and high inflation, and we are not fighting either one satisfactorily. We have a high interest rate policy which is causing a low rate of economic growth. The policy of supporting the dollar is hurting us in terms of inflation. What evidence does the government have that it had to move to high interest rates in order to keep the dollar at the present level?

Mr. Trudeau: Mr. Speaker, the hon. member says we are not fighting either. Does the hon. member want us to increase the deficit? If he does, it will have the effect—and it is advocated by the New Democratic Party—of stimulating the economy in the short run at any rate. I believe that is what the hon. Leader of the Opposition is proposing.

● (1440)

Mr. Gillespie: Not today.

Mr. Trudeau: Well, he was yesterday, anyhow.

Some hon. Members: Hear, hear!

Mr. Trudeau: Yes, decreasing the deficit creates more jobs, but also it adds to the inflationary pressure. That is why the government does not want to do that. We do not want to add to the inflationary pressure. We are sorry there is a great deal of unemployment in Canada, but we realize—

Some hon. Members: Hear, hear!

An hon. Member: At least you are sorry.

Mr. Trudeau: But we realize that our economic management has created more jobs, at a faster rate, in Canada than in any other industrialized society. That is a fact.

Some hon. Members: Hear, hear!

Oral Questions

POST OFFICE

REMARK BY MINISTER CONCERNING FIRING EMPLOYEES TO SOLVE PROBLEMS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Postmaster General regarding the chaotic and unacceptable state of affairs in the Post Office for which the Postmaster General is blaming the workers and not management.

It has been reported that the Postmaster General recently stated that he could make the Post Office run efficiently if only he could fire 500 workers. What is the background for that statement? Does the Postmaster General have a list of the names of these 500 persons and the unions to which they belong? Or was this just public posturing in order to cover up the ineptness of Post Office management?

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, I think the hon. member should understand better the context in which I replied to a question asked by a newspaperman: "How many people do you feel you could get rid of, if you want the Post Office to work smoothly?" I stated that if I had my way to do something about it, maybe 500: I could have said 100, or I could have said 1,000.

Some hon. Members: Oh, oh!

Mr. Lamontagne: I think hon. members of the opposition should have copies of some of the letters I have received from citizens across Canada.

Mr. Jarvis: We sent them to you.

Mr. Hnatyshyn: They were delivered by hand.

Mr. Lamontagne: They would see the reaction of people. They would see that nine out of ten letters I received approved of that statement in the context in which it was made. Another thing I want to tell hon. members: my job is not to blame management; it is not to blame the workers; it is to see that both do the job they should do for the Post Office.

Some hon. Members: Hear, hear!

Mr. Lamontagne: That is the way I must take my responsibility. If management does something bad, it will be blamed. The same applies to the workers. I can tell hon. members that the reports I have received from different media—

Some hon. Members: Order.

Mr. Speaker: Order, please. A supplementary, the hon. member for Hamilton West.

Mr. Alexander: Mr. Speaker, I do not know what the Postmaster General is all excited about; he is the one who brought out this statement. The letters I have received indicate that people are receiving their mail late and that they are ashamed and disgusted with the service they are receiving for which they are paying an exorbitant price. There are further unchallenged reports which indicate evidence of pilfering, drinking, smoking pot and goofing off at the Gateway sorting plant in Mississauga.

These are very serious allegations of disorderly conduct bordering on lawlessness and obvious lack of control on the part of postal management. What steps are being taken in order to bring these matters under control? Or is the Postmaster General content to just sit and condone this type of action?

Mr. Lamontagne: Mr. Speaker, I should like to register the fact that I take exception to the statement that we are sitting around doing nothing. Some members on the other side of the House are blaming us for harassment and persecuting the workers because we have put them on notice of dismissal and have fired some. Again I say that we have to be firm about these people doing what the hon. member has just mentioned, but also we have to be fair and abide by the rule of law in our democracy. As I said to the newspaper, it is a long process.

I should like to refer to a lady in the Toronto *Sun* who wrote to me and said—

Some hon. Members: Order.

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

Mr. Alexander: One final supplementary question, Mr. Speaker.

Mr. Speaker: Order. The hon. member for Hull.

* * *

[*Translation*]

PUBLIC SERVICE

INQUIRY WHETHER COMPENSATION WILL BE PAID FOR LOSS OF BILINGUAL BONUS

Mr. Gaston Isabelle (Hull): Mr. Speaker, I have a very pressing question to ask the President of the Treasury Board.

As thousands of public servants have been notified that as of April 1, 1979 they will no longer receive the bilingualism bonus, and as a great number of them earn small salaries and will be seriously affected in their family budget, and as there are all sorts of rumours going around concerning them, can the minister reassure these loyal servants of the state and tell them if he intends to offer them some form of financial compensation so as not to unjustly penalize those whom I would call the poorest of the poor in the public service?

[*English*]

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, the hon. member is quite correct in pointing out that the bilingual bonus plan will be terminated, as my predecessor indicated, on March 31, 1979. However, Treasury Board has put in place a basis whereby the salary and the bonus as of that date will be compared with the individual's salary a year later. If there has been any shortfall—in other

words, if the income is less than it was on March 31, 1979—they will be compensated for any shortfall.

* * *

TRADE

CANADIAN REPRESENTATIONS AT GATT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce, to get away from these philosophical subtleties of the Prime Minister which contain no information and simply are false.

Some hon. Members: Question.

Mr. Diefenbaker: I direct my question to the Minister of Industry, Trade and Commerce, to get right down in the barnyard and get the facts.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Apparently there is unanimity among the Liberals that that is where he should be.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I do not care about that. Simply, I want to ask him—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Some hon. Members: Order.

Mr. Speaker: Order, please. The right hon. member for Prince Albert.

Mr. Diefenbaker: My question is a very simple one. What is the reason why Canada, of the 95 nations engaged in the talks concerning GATT, is the only nation which refuses to agree with the others? What is the reason for that? What change of ideas will take place in connection with the representations made by Canada's representatives at GATT in this regard, so that we will not lose the opportunity of selling wheat?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Horner: —I should like to inform the right hon. member that I feel right at home in the barnyard, and I feel right at home in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Horner: My father, being one of the great traders of Saskatchewan, taught me well the art of sitting down, trading and negotiating trade for Canada. With that premise, I feel confident that Canada's position regarding multilateral trade negotiations is a very good and strong one.

In the negotiation of anything, there may be times when we are the odd man out. We are not now. We are holding out for the best possible arrangements for Canada. I feel confident the negotiations are in good hands.

Some hon. Members: Hear, hear!

• (1450)

Mr. Diefenbaker: Mr. Speaker, what are the representations Canada is making that are contrary to those of all other member nations of GATT? What are those points that would indicate Canada's political power and strength is being shown there, as described in some of the literature put out by the department?

Mr. Horner: Mr. Speaker, it is very difficult to describe where we are at odds with the 95 other countries. If the right hon. gentleman was referring to the International Wheat Agreement, for instance, we want the highest possible floor price which will trigger the movement of grain into surplus reserves. Necessarily, we want a fair but fairly high maximum price which will trigger the movement of these reserves into the market.

We are continuing these negotiations. The size of the reserves is also up for negotiation. Certainly, we are doing our best in that particular instance to maximize exports of western grain to the widest number of consumers possible in the world around us.

Mr. Diefenbaker: Mr. Speaker, does the minister agree with the views expressed by the president of the importers' association that Canada is dragging its feet and is causing a situation to develop in which our wheat markets are going to be lost, and lost completely, because of the stupidity of this government?

Mr. Horner: Mr. Speaker, I do not agree. I see the demand for wheat growing in the world, and I see a very good position for Canada to command its traditional share of that growing demand for wheat in the world.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF UNITED STATES SECRETARY OF THE INTERIOR

Mr. Speaker: May I ask hon. members to join with me now in signalling the presence in our gallery of a very distinguished visitor in the person of the United States Secretary of the Interior, Mr. Cecil Andras.

Some hon. Members: Hear, hear!

Oral Questions

FINANCE

COST OF LIVING INCREASES DUE TO HIGH PRICES—EXCESSIVE PROFITS OF CERTAIN CORPORATIONS

Mr. Fonse Faour (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Finance, but in his absence I would address it to the right hon. Prime Minister.

Statistics Canada yesterday released figures showing an average weekly wage increase of a little over 6 per cent, compared to a 9 per cent increase in the consumer price index last year. Since this represents an annual wage loss of $365 for the average worker in Canada, I want to follow up on a question posed yesterday by my colleague, the hon. member for Winnipeg North, and ask the Prime Minister if he is aware that corporations which were represented at his Friday meeting have experienced astronomical and scandalous profit increases over the last year. For example, Noranda Mines had a 117 per cent increase. I have these figures, which I will make available to the Prime Minister.

If the Prime Minister is aware of these profit increases, will he inform the House why he did not ask the corporations concerned to reduce their prices so that Canadians do not have to face high cost of living increases over the next few years?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the hon. member may have missed the answer I gave to a similar question posed yesterday by a member of his party, I indicated to the contrary, that this kind of point was discussed at a meeting I had with business leaders. I indicated in this House that the government had suggested that when profits are forthcoming, the companies should consider benefiting the consumer or reinvesting those profits to create more jobs. This is a suggestion which will be carried forth by this government.

In so far as the earlier statistics given by the hon. member are concerned, of course they are right if he just takes last year. If he takes the period of three years during which controls endured, he will see that the workers' wages over that period were above the increase in the cost of living. Indeed, if he looks at the past ten years, as the Parliamentary Secretary to the Minister of Finance reminded us yesterday, he will see that real disposable incomes in Canada went up 52 per cent which, incidentally, is about twice as high as they went up in the United States over the same period.

* * *

CONSUMER AFFAIRS

HIGH PROFITS IN FOOD INDUSTRY—ADVERSE EFFECT ON CONSUMER PRICES

Mr. Fonse Faour (Humber-St. George's-St. Barbe): Mr. Speaker, the right hon. Prime Minister does not tell us what commitments he received from those corporations to reduce their profits over the next year. This is even more crucial in view of the fact he is asking for the same commitment from wage earners, that is, to lower their wage demands over the next year or so.

[Mr. Speaker.]

I should like to address my supplementary question to the Minister of Consumer and Corporate Affairs. In view of the fact that the Anti-Inflation Board announced yesterday—this was reported in *The Citizen*—that food prices increased 19 per cent over the past year and, further, in view of the fact that the food industry has registered an increase in profit and one of the companies represented at that Friday meeting, Burns Foods Ltd., had a profit increase last year of 198 per cent, will the minister tell this House what action he intends to take to control high profits in the food industry which, of necessity, must have an adverse effect on food prices?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, we are very concerned about this rapid increase in food prices and we are considering some new initiatives in that regard, but they cannot be announced in the House at this time.

* * *

ENVIRONMENTAL AFFAIRS

REPORT OF ASSESSMENT REVIEW PANEL ON LOCATION OF NUCLEAR REFINERY IN ONTARIO

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Minister of State for the Environment. The minister will remember that an announcement was made in his name that the environmental assessment review panel studying the location of a new Eldorado Nuclear refinery in the province of Ontario was to have reported to the minister by now.

My question to the minister is: has that report been made to him and, if so, when will it be released? If it has not been made to him, why has it not, and when does he expect to receive it?

Hon. Len Marchand (Minister of State (Environment)): Mr. Speaker, I expect to receive the report in a couple of weeks. There has been some delay in the preparation of the final version of the report. As soon as I receive it, I will be making it public.

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CONSUMER AFFAIRS

GOVERNMENT PLANS FOR FOOD STRATEGY

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the finding of the AIB that the increase in food prices of 3.8 per cent over the month represents an annual increase of 19 per cent, will the minister tell the House what has become of the plans for a food strategy on the part of the government?

Given the fact that it is almost a year since the conference was convened for this purpose and we have heard nothing

about it since, does the government have a food strategy and, if not, what does it propose to do about this?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is not one year since the hon. member heard of it last, unless he has not being paying attention to what has been going on. As a matter of fact, we have had three conferences with different levels of society—the provincial governments, the private business sector, consumer groups and many other voluntary organizations.

We have been developing a food strategy with the other five federal departments and with the many provincial departments concerned. Because there are so many levels of governments involved in respect of food, including provincial departments of consumer affairs, industry, trade and commerce, agriculture and fisheries, this is taking some time. It will take some time before the results of a global food strategy can be seen in the economy.

* * *

STATISTICS CANADA

ALLEGED INVASION OF PRIVACY IN SURVEY OF FAMILY EXPENDITURES

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce: I believe Statistics Canada falls within the minister's jurisdiction.

Statistics Canada is presently conducting a survey of family expenditures in 1978. This study is the most massive invasion of personal privacy ever conducted by any government of the western world.

Some hon. Members: Oh, oh!

Mr. Kempling: The minister laughs. It asks very many personal and private questions about incomes, about debts, about banks balances, clothing purchases and such personal items as toilet paper consumption, sanitary products, perfumes and hair tints.

Is the minister aware of this survey, and will the legal sanctions that exist under the act be applied against individuals who refuse to answer these question? I ask this because many people are very upset about the very personal nature of many of the questions being asked.

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I will look into that question. I believe this is a voluntary survey, but I will look into that aspect.

Mr. Kempling: Mr. Speaker, it is not a voluntary matter at all. Every twenty-eighth person on the list of those who receive family allowances is being interviewed by Statistics Canada, and the interview takes something like 3½ hours to complete.

• (1500)

Will the minister look into this matter, and if what I have said is true will he order Statistics Canada to stop the survey and refer the matter to another committee of this House so that we may look at it in its full context?

Mr. Horner: Mr. Speaker, if I stopped the survey, it would not be necessary to refer it to a committee of the House. I said that I would look into the whole question, and I will.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 185, 195, 614, 615, 628, 678, 679, 686, 730, 738, 739, 745, 746, 786, 791, 845 and 902.

[*Text*]

BRICKLIN CANADA LIMITED

Question No. 185—**Mr. Howie:**

Was the Department of Regional Economic Expansion required to pay any portion of the $2.7 million loan guarantee to the Bank of Montreal made in respect of Bricklin Canada Limited and, if so, what amount was paid or may be required to be paid?

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: Yes, $2,699,-000 has been paid and at the present time a further claim in respect of accrued interest and receivership costs for $133,000 has been received. The department's liability for this amount has not yet been legally determined.

LAND REGISTRATION—MARITIME PROVINCES

Question No. 195—**Mr. Howie:**

1. For the fiscal year ending March 31, 1978, what amount was paid by Canada to the Maritime Provinces for the development of the Land Registry Information Services?

2. How many persons were employed on the project on March 31, 1978?

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 1. For the fiscal year 1977-78, DREE paid $5,916,956.72 to the Council of Maritime Premiers for the Land Registration and Information Service.

2. 245.

Order Paper Questions

EXPENDITURE CUTS

Question No. 614—**Mr. Baker (Grenville-Carleton):**

1. In determining where cuts in expenditure would occur in the various departments and agencies, what criteria were adopted to decide which operations were not of sufficiently high priority to justify their continued existence?

2. Does an inter-departmental committee of any kind exist to supervise the proposed expenditure cuts to ensure that only low priority items are eliminated from the budget, or reduced in size and, if so, who is on the committee and what are its terms of reference?

3. Did the committee prepare any studies or reports and, if so, will they be Tabled in the House?

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of the Treasury Board): 1. The review of efficiency and effectiveness of federal government spending programs is a continuing process involving not only the departments and agencies concerned, but also the central agencies such as the Treasury Board Secretariat and the Office of the Comptroller General, as well as various interested groups of Canadians who have a specific interest in the programs. It is on the basis of their collective understanding of the performance of all government programs, combined with the priorities of government and the outlook for spending within the restraint policy that ministers make their collective decisions about which expenditures must be reduced.

2. No inter-departmental committee was established to review the expenditure reductions.

3. Since no committee was established, there will be no report.

REDUCED EXPENDITURES—DEVELOPMENTAL RESEARCH

Question No. 615—**Mr. Baker (Grenville-Carleton):**

1. In deciding to reduce expenditures in areas of developmental research, did the government consider the impact of such reductions on future economic growth, resource development and export opportunities?

2. Was a study prepared examining such factors and, if so, will the government table it?

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of the Treasury Board): 1. Expenditure reductions were undertaken only in those areas of developmental research that were considered to be of lowest priority in order to minimize detrimental ramifications. However, these limited cuts in research and development were more than offset by new thrusts in this area announced by the federal government earlier in the summer. The additional research and development expenditures are to be directed to higher priority projects.

2. Since there was no task force or special study group established, there will be no report tabled.

DREE—SUBSIDIES TO DUFRESNE FOREST PRODUCTS COMPANY

Question No. 628—**Mr. Caouette (Villeneuve):**

Did the Department of Regional Economic Expansion subsidize the Dufresne Forest Products Company of Val d'Or and, if so (a) in what amount (b) what were the reasons and projects warranting the subsidies (c) what specific conditions were attached to the subsidies?

[Mr. Wood.]

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: Yes. (a) An incentive offer under the Regional Development Incentives Act, in the amount of $579,200, was accepted by the company. (b) Setting up a sawmill for which the eligible investments total $1,696,000. (c) The specific conditions for granting this subsidy are in accordance with the Regional Development Incentives Act and Regulations.

ROYAL CANADIAN MOUNTED POLICE

Question No. 678—**Mr. Epp:**

1. Is the RCMP planning to amalgamate the Highway and Town of Steinbach detachments and, if so, on what date?

2. What is the expected number of officers planned for the detachment once amalgamation has been completed?

Mr. Roger Young (Parliamentary Secretary to Solicitor General): 1. No.

2. Not applicable.

RCMP—BUILDING AT STEINBACH

Question No. 679—**Mr. Epp:**

Is the government planning expansion of the RCMP Highway Detachment Building located at Steinbach, Highway No. 12 and, if so (a) what is the capital spending (b) on what date will construction (i) begin (ii) be completed?

Mr. Roger Young (Parliamentary Secretary to Solicitor General): No.

EMPLOYMENT AND IMMIGRATION—FREDERICTON

Question No. 686—**Mr. Howie:**

How many community courses were funded in Fredericton, New Brunswick by the Department of Employment and Immigration for the fiscal year ended March 31, 1978?

Hon. Bud Cullen (Minister of Employment and Immigration): During the fiscal year ended March 31, 1978, there were 57 full-time institutional occupational training courses purchased under the Canada Manpower Training Program in Fredericton, New Brunswick.

SOVIET TUPOLEV BOMBER

Question No. 730—**Mr. McKinnon:**

Does the Department of National Defence classify the Soviet Tupolev bomber, NATO designation "Backfire", as a heavy bomber?

Hon. Barney Danson (Minister of National Defence): DND no longer uses the term "heavy bomber". The term currently in use is "long range bomber" and the Soviet "Backfire" could be classified as such.

CFB GAGETOWN—FEDERAL LABOUR INTENSIVE PROGRAM

Question No. 738—**Mr. Howie:**

Was money allocated to the Department of National Defence under the current round of the Federal Labour Intensive Programme and, if so (a) in what amount (b) what amount will be spent at CFB Gagetown and on what projects will persons be employed?

Hon. Barney Danson (Minister of National Defence): There is no Federal Labour Intensive Program currently in effect in DND. The last program terminated September 30, 1978.

CFB GAGETOWN—NUMBER OF EMPLOYEES

Question No. 739—**Mr. Howie:**

On November 1, 1978, how many (a) civilian permanent (b) civilian temporary (c) military personnel were employed at CFB Gagetown?

Hon. Barney Danson (Minister of National Defence): (a) 594. (b) 221. (c) 3,061.

SMALL INDUSTRIES FINANCIAL ASSISTANCE PROGRAM—N.B.

Question No. 745—**Mr. Howie:**

What amount was paid by DREE in the fiscal year ended March 31, 1978, under the Small Industries Financial Assistance Programme?

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: In the fiscal year 1977-78, DREE paid $1,041,400 under the Small Industries Financial Assistance Program in New Brunswick.

Question No. 746—**Mr. Howie:**

In the Province of New Brunswick, do any counties qualify for assistance under the Small Industries Financial Assistance Programme and, if so, which ones?

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: Yes, the counties of Restigouche, Gloucester, Northumberland, Kent, Madawaska, Victoria, Sunbury, Queens and Charlotte qualify.

PERSONS REGISTERED AT FREDERICTON EMPLOYMENT OFFICE

Question No. 786—**Mr. Howie:**

On November 30, 1978, how many persons were registered for work at the Fredericton, New Brunswick manpower office?

Hon. Bud Cullen (Minister of Employment and Immigration): There was a total of 8,098 persons registered for work at the Fredericton, New Brunswick employment office on November 30, 1978.

Order Paper Questions

PERSONS RECEIVING UNEMPLOYMENT INSURANCE—FREDERICTON

Question No. 791—**Mr. Howie:**

As of November 30, 1978, how many persons were receiving unemployment insurance from the Fredericton, New Brunswick office?

Hon. Bud Cullen (Minister of Employment and Immigration): 5,003.

COMMUNICATIONS—PROJECTS IN RICHMOND

Question No. 845—**Mr. Beaudoin:**

1. Since 1968, did the Department of Communications finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Mr. Crawford Douglas (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communications is concerned, the answer to the above question is as follows: 1. No.

2. Not applicable.

FARM CREDIT CORPORATION—N.B.

Question No. 902—**Mr. Howie:**

How many loans were granted by the Farm Credit Corporation in the fiscal year 1977-78 and how many were granted in New Brunswick?

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

	Number of loans approved Fiscal year 1977-78
Under the Farm Credit Act	
Canada	7,066
New Brunswick	92
Under the Farm Syndicates Credit Act	
Canada	105
New Brunswick	2

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 521 could be made an order for return, that return would be tabled immediately.

[*English*]

Mr. Speaker: Is it the pleasure of the House that question No. 521 be deemed to have been made an order for return?

Some hon. Members: Agreed.

Point of Order—Mr. Elzinga

[*Text*]

CIDA—AID TO WORLD COUNCIL OF CHURCHES

Question No. 521—**Mr. Epp:**

Did the Canadian International Development Agency (CIDA) give any aid to the World Council of Churches in (a) 1968 (b) 1969 (c) 1970 (d) 1971 (e) 1972 (f) 1973 (g) 1974 (h) 1975 (*i*) 1976 (j) 1977 (k) 1978 and, if so, by year (i) in what amount (ii) what projects were approved (iii) what was the purpose of each project and what amount was approved in each case?

Return tabled.

[*English*]

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

Some hon. Members: Agreed.

* * *

POINTS OF ORDER

MR. BEATTY—DELAY IN ANSWERING QUESTIONS NOS. 65 AND 66

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, on a point of order, I would like to bring to the attention of the parliamentary secretary the fact that my order paper questions Nos. 65 and 66 have now stood on the order paper since January 26, 1978, which is now over one year ago. I would like to indicate that I am sure all members of the House would appreciate it if the hon. parliamentary secretary would do his job and answer these questions.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I want to assure the hon. member that we take all questions seriously. At this time of the year the average rate of answers to questions on the order paper is advantageously comparable to the rate during the same period last year and Canadians are aware, Mr. Speaker, that we usually answer more than 90 per cent of the questions on the order paper during the year, which is excellent.

Mr. Speaker, the hon. member is wrong to believe he is being persecuted. It is not the first time he has taken the floor but in the past he was very well treated by parliament, and I would ask him simply to stop setting himself up as the Don Quixote of the Progressive Conservative Party, and particularly to use the hon. member for Edmonton Centre (Mr. Paproski) as Rosinante.

[*English*]

MR. ELZINGA—DELAY IN ANSWERING QUESTION NO. 223

Mr. Peter Elzinga (Pembina): Mr. Speaker, I, too, rise on a point of order dealing with question No. 223, which I have had on the order paper for some three sessions of parliament. The government has had three years to work on this question, which simply deals, as I have shared with the parliamentary secretary before, with special and annual passes that are granted to the presidents of Crown corporations or government commissions and how often they have used these special passes.

I was hoping that the parliamentary secretary would have had an opportunity over the Christmas break to examine the question and come forward with an answer. Might I get a commitment from him now as to when I will get an answer?

GOVERNMENT ORDERS

[*Translation*]

CANADA REFERENDUM ACT

MEASURE TO PROVIDE FOR HOLDING OF REFERENDUMS ON CONSTITUTION

The House resumed from Monday, January 29, 1979, consideration of the motion of Mr. Lalonde (for Mr. Reid) that Bill C-9, respecting public referendums in Canada on questions relating to the Constitution of Canada, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, last night, I started my speech very late and pointed out that I could make only preliminary remarks. But even those preliminary remarks I did not have time to complete. I was more specifically commenting on the speech made earlier by the hon. member for Brome-Missisquoi (Mr. Grafftey). He said yesterday that there was no national unity problem and that our difficulties were rather of an economic nature.

Yesterday, I said what I thought of the perception the hon. member for Brome-Missisquoi has of matters of national unity, but I should also like to mention that he insists that the most important issue today is one of economics. I do not disagree with that, Mr. Speaker. Economic matters must command the attention of the government. However, I want to remind the hon. member that we deal with those matters in due course and that this government can easily act simultaneously on several fronts.

That national unity is a major problem at this time cannot be denied. We have in Quebec, as I pointed out yesterday, a government intent upon dividing Canada, that is, upon separating one of the Canadian provinces from confederation. If that does not constitute an important problem for Canada, I wonder what does. Personally, I feel that even though it is true that national unity must not be the only matter with which we must deal, it certainly is of considerable if not capital significance in economic matters. Consequently, that national issue must be discussed and we must do everything possible to solve the problems facing us at this time.

I believe the government has made an effort in that direction by introducing in the House this legislation on referen-

dums. At this point of the debate, I feel it is important to clear up the situation. We see the opposition rising against this legislation on the referendum on the pretext that it could be abused. I note the opposition refuses to acknowledge that we have set out in the bill some limitations to the use of the referendum once enacted. One of those limitations lies in the fact that its life is limited to five years, a period during which we hope to have been successful in settling our national unity problem and perhaps even carried out a constitutional reform we could put before the people and on which we could hold a referendum. On the other hand, the opposition refuses to acknowledge that we have limited the referendum to constitutional matters only. They refuse to acknowledge that, yet fail to spell out what they think is something other than constitutional matters. And they state we could abuse that political instrument to the point where we would be legislating by referendum.

In this regard, I have a comment I would like to make about the speech delivered last night by the hon. member for Brome-Missisquoi. He is opposed, and rightly so, to our legislating by referendum, yet he recommended last night that we legislate by public poll. Here is what he said in substance: There is no need for any referendum. Governments enjoy the power to conduct public polls even more important than those conducted by the Gallup Institute, in order to know exactly where people stand on a question like national unity.

● (1510)

I must say I found some boldness in the suggestion made by the hon. member for Brome-Missisquoi when he called upon this House, with tears in his eyes, to show better respect for democracy. Which is more democratic, Mr. Speaker, legislating by polls or, from time to time and in extremely limited circumstances, putting to the people a referendum on a central issue of concern to them? What the opposition would like in fact and what they imply when suggesting they are against the referendum is that they are against the idea of asking the people's views on constitutional reform. I for one feel that if we were to obtain the provinces' agreement on the current constitutional negotiations, the outline of the resulting constitutional remodelling should be submitted to the people through a referendum, and this is why we are putting the legislation forward.

What must be realized is that the bill had its inception in circumstances that were quite special, namely the election that occurred in the province of Quebec on November 15, 1976. Those political circumstances called for unusual political responses. The referendum bill is one of those unusual responses that also meets a specific need I shall be explaining in a moment, and that is also designed to address the larger question of constitutional reform.

Listening to the opposition I see they lack the flexibility, the kind of imagination that would allow them to easily turn around in tighter political situations. They lack the understanding, the basic sense of strategy that would allow them to join us in accepting this proposal to give the authority to hold referenda, either in the country as a whole or in the province of Quebec only, for a limited period and on constitutional matters only. Under the circumstances the reason becomes apparent why in the race for power they can never make it at the finish line: they are incapable of what I would call elementary analysis of a political situation. If they were now to make a cold-headed review of the facts, they would look at this proposal with a minimum of objectivity. But the truth is Progressive Conservatives have had no understanding whatsoever of what goes on in the province of Quebec, as we have long since realized, but they do not quite grasp what is going on in the rest of the country either. We had examples in the suggestions made recently by the hon. member for Rosedale (Mr. Crombie), who was only echoing statements made much earlier by the Leader of the Opposition (Mr. Clark).

I suspect that this type of statement was suggested to the hon. member for Rosedale by Mr. Payette, the candidate whom the Progressive Conservatives have just recruited and, I warn the opposition, whose political options are not very clear. Following the statements of Mr. Ryan who quite properly took offence at what the hon. member for Rosedale said, I would say to the hon. member, an ex-mayor, that he should have taken the time, when he was mayor of Toronto, to make a few visits in the province of Quebec, especially in the city of Montreal; then he could have understood what is happening there, he could have improved his political education so that he would have been a bit more mature when he came to the House and he might have known better than to make such statements.

This was a rare occasion for him to fraternize with the people of Montreal, with Quebeckers, and to get informed on what is really happening in the province of Quebec, but he did not do so and now he sits here in the federal parliament without knowing the real problems of Canada and without having grasped the national dimension of these problems. What is the actual situation in Quebec which justifies this legislation on the referendum? I am going to sum it up briefly because I do not want to dwell too much on it and above all because many of these things have already been said. When it was elected, the Parti Québécois promised the Quebec people it would hold a referendum on the independence issue. Soon after, realizing that this measure was not quite popular, it began to say that it would hold the referendum within a year. It then stated that it could no longer put a definite date on it. Finally it declared that it might even wait until after the coming federal election.

One can easily say that the Parti Québécois is just procrastinating and those who analyse the situation will see quite clearly that if the Parti Québécois hesitates so much it is because it knows quite well that it will not win the referendum. So what is it doing in the meanwhile? Well, for the Parti Québécois it is crucial to gain time, because it has devised a strategy whereby in gaining time it could project a moderate image of itself before the people and make them believe that it

is now quite in favour of outright independence, and it could make all kinds of gestures which would tend to mystify the population. Furthermore, it is quite consciously creating some ambiguity around one of several questions which could perhaps turn out to be contridactory and which could be asked when the referendum takes place. The last invention devised by the Parti Québécois in order to confuse the people has been to declare itself as following the path and the tradition of all the heads of parties in the province of Quebec and of all the former premiers of Quebec up to this day. It claims merely to be acting in conformity with the traditional attitude of the province of Quebec.

Yet, though it claims to be consistent with the previous stands of the province of Quebec, to the best of my knowledge the preceding governements have never advocated the separation of Quebec from the rest of the country. Yet such is the goal of the Parti Québécois. This is what it has been saying within the province of Quebec but at the same time Mr. René Lévesque goes to Washington to explain that his goal is independence for Quebec and to try to convince the public there that such a move constitutes no threat for the United States or the rest of Canada. He therefore adopts a federalist approach when he addresses his fellow Quebeckers or at certain federal-provincial conferences and on the other hand he takes a separatist approach when speaking abroad. It is exactly the opposite that is true. The Quebec government breaks totally with the Quebec tradition while claiming it is simply following up Quebec's demands. They change their goal completely, saying: We separate. Such is our aim. The province of Quebec will never fulfil itself as long as it is not its own master and has full control over its territory, a territory which covers what is now the province of Quebec. Therefore, they change their goal while saying that nothing has changed, and they add to the general confusion on purpose. Indeed, if the Parti Québécois fosters such confusion among the people, it is because it is up to something. They would have the people believe that they have given up their original option, or at least that it is not as urgent now, and they pretend to negotiate, at times they negotiate and are willing to talk, at other times they withdraw.

A minister makes a statement and a day or two later it is denied or corrected by René Lévesque himself. From time to time, it is René Lévesque himself who sends up a trial balloon and one of his ministers, namely, Mr. Morin, tries to catch it back when he realizes that it was not well received by the public. The previous Quebec governments used to demand more autonomy, more specific powers on certain matters, greater financial means to meet their requirements and more scope to set their own priorities.

● (1520)

Such were the demands made by Mr. Lévesque's predecessors, but Mr. Lévesque does not follow the same line and has definitely broken away with Quebec traditions. On the contrary, he distorts the rules of the game and the image of Quebec at the negotiating table and at the constitutional conference table.

The Acting Speaker (Mr. Turner): The hon. member for Champlain (Mr. Matte) on a point of order.

Mr. Matte: Would the minister allow me a question on the statement she has just made?

Mrs. Sauvé: Mr. Speaker, I will do so with pleasure at the end of my remarks if I have time left.

Mr. Lefebvre: It is not a point of order, it is just nonsense!

Mrs. Sauvé: I think that Mr. Lévesque participates in constitutional discussions just for the sake of appearances, which is rather clever, until the situation he manages to create gives him an opportunity to walk out. Then, he will go back to Quebec and say: You see, I tried to negotiate in good faith but it just did not work. I made every effort to reach an agreement with the federal government but it proved impossible.

He is deliberately cheating. And he also impedes progress. This is the most serious problem the federal government is now facing in its constitutional negotiations. He deliberately stands in the way of the negotiating process while denouncing its slow progression. Of course, you can never expect a quick outcome so Mr. René Lévesque can say: You see it takes too long, it is not possible to come to an understanding, one province wants something and another wants something else. So it is hopeless, the whole procedure is wrong. Then he pretends to take part in discussions so as to be in a position when he can eventually rationalize his unwavering determination to release the province of Quebec from its federal ties.

I believe that Mr. René Lévesque is too shrewd and so are some of his advisers to burn his bridges in case the referendum he is reluctant to hold on the future of Quebec would not be a success. In this way he could have it both ways. He wants to leave the door open. He was very careful for instance not to take a definite stand with his colleagues from the other provinces. He did not tell them: You know, I have definitely given up the idea of separating Quebec from the rest of the country. To my knowledge he has never said that in federal-provincial conferences. So it is obvious he is playing a game, not a very honest game which is far removed from the political openness which he is bragging about. Throughout his political life he has been saying that politicians must be transparent. Well, he is far from being transparent right now. He is trying to drag us all into his dilemma and confusion. Time has come now—and it is ever more urgent as time goes by—for all politicians to grasp the problem involved, to define the issue at stake, to determine the aims of this country and to come up with a clear question, and for Mr. René Lévesque—who advocates another alternative—to state what are the advantages and the disadvantages so that the population would be well informed. He should demonstrate how his alternative might be viable and indeed he should show the road to follow. And that is not all. He should tell us exactly how that option can become reality because even though theoretically feasible

in practice it will raise a great many problems. He must inform the population about the problems they can expect to face. People must understand the risks involved in that endeavour, the delays inherent in such a process, the unstableness that could follow in Canadian political and social life, particularly in the province of Quebec because finally Quebeckers will have to foot the bill, to restore their social, political and cultural life in a totally modified political context. I accuse Mr. Lévesque of refusing to inform the people. He will agree to consult them only when he is pretty sure that they are so confused by the hotchpotch of words and options that have been proposed that he has a chance of getting a positive answer. What does Mr. Lévesque do, talking at length as he does about the true sovereignty of the people? Mr. Speaker, the people are sovereign only when they make their own choices, and especially when they can do so fully informed. Let him give back to the people of Quebec this basic sovereignty which consists in being adequately informed to answer a question which will decide their political future.

Mr. Speaker, I believe that we need this referendum legislation so that we can replace the provincial government if it does not hold its referendum as promised. This is a promise that it made to the people in Quebec, but with all the delays, we may wonder whether it will eventually keep its promise. And if the economic and social situations in Quebec continue to deteriorate, will someone not have to act to clarify the situation? And if the Quebec government fails to do so, the federal government needs this political tool which will enable it to consult the people in Quebec about their own future.

It must be kept in mind that we wish Quebec to hold its own referendum. We believe that it is its responsibility; since the Quebec government has brought up the matter of a new option, it must consult the population and we hope that it will hold this referendum. If it does not, however, and if the situation continues to deteriorate, we want to have the means to intervene. Moreover, if the province of Quebec holds its referendum, the question could be so ambiguous that the answer would make no real sense and nobody would know if the people have voted yes or no. This is what happened in the provincial election when the people were told: Vote for us and we shall give you good government and talk about independance later. The people voted on this ambivalent proposal and found themselves with a government which was not satisfied to give them good government—if it is any good—but which also wanted to promote its option of independence for Quebec.

So, if this question is ambiguous, somebody else must be in a position to ask a more precise one to give Quebec citizens the possibility to state clearly what they want and to make a clear choice as to their future. But this is not what is happening and those who are aware of the Parti Québécois backroom manoeuvres know only too well that since it was elected it has been carrying out surveys on a question and even on several questions. It is testing what the question should be. It attempts to devise what question will bring in the highest percentage of "yes" answers, whatever its degree of clarity. This does not bother them too much. They are trying out questions. And the people are confused and worried. In some cases, and I have seen examples of it recently, a certain anxiety starts to show up. Not so long ago, I paid a visit to a group of senior citizens of my riding.

I met someone who asked me: But what is going to happen if the referendum is deferred? And suppose it is not held? Here is how she put it to me: If I am against independence, how do I answer? Is this proof enough that people are confused? She knows what she wants, she is against independence, but she said: I will not know what to answer. Well, this shows me just how confused people have become.

• (1530)

[*English*]

I have just said in French, Mr. Speaker, that I met a representative of the senior citizens at a meeting in my constituency. That person exemplified the kind of confusion in which the population finds itself with the kind of publicity and manoeuvres the Parti Québécois is up to in the province of Quebec. This person came to me and asked me: "If I am against independence, how can I answer the question?" That was enough to give me the message that the population has become extensively confused about what is going on. That person knew what she wanted to say. She wanted to say that she was against independence. With all the questions floating around that might be asked on the referendum, she was afraid she would not be able to answer in conformity with what she believes. That is the kind of confusion that has been systematically created by the Parti Québécois. It is our duty to do something to help the population see clearly how things should be handled in this kind of situation.

The Parti Québécois is obviously playing games, camouflaging its real intentions by using words like sovereignty association, which they do not even attempt to define in the course of their speeches. That senior citizen who is somewhat removed from the political scene is understandably in a state of confusion. It is our duty to enlighten such people. However, for someone like the hon. member for Rosedale to be taken in by the kind of ploys used by the Parti Québécois is not understandable.

The hon. member does not see through the exercise of the conditioning of the people. That forces me to the conclusion that some of the leading members of the opposition are politically naive when as members of this House I would expect that they would be politically grown up. It is inexcusable that politicians would get taken in by this kind of manoeuvring and manipulation. It indicates something very serious—the total ignorance of that party about what is going on in the province of Quebec.

Last night we heard a remarkable speech by the hon. member for Lachine-Lakeshore (Mr. Blaker), an Anglophone who perceives the situation very well. He explained it to the opposition in a way that I thought was admirable. I recommend that members opposite read his speech. From an Anglophone point of view, it was an exact description of the situation in the province of Quebec, the dangers we face and the reasons why we need this referendum.

Instead of listening to that speech and taking from it what would be profitable, the hon. member for Brome-Missisquoi called the bill a political insanity. He pleaded, practically with tears in his eyes, that we should abandon it. He called for co-operation on both sides of this House to address ourselves together to the important issue of the day, national unity. I say to him, join us in a constructive measure which is designed to substitute for the Parti Québécois, if they do not fulfil their promise of holding a referendum, a measure designed to fight any attempt to put to the people of Quebec a question that might be so ambiguous as to be meaningless.

Someone must have contingency plans if this kind of thing occurs in the province of Quebec. The federal government must have some kind of political instrument whereby it can do something with regard to clarifying the situation. I will not let the situation in the province of Quebec deteriorate to the point of no return. Before that I will go to a referendum. It is very important. I am convinced that the people of the province of Quebec do not want their province to separate from the rest of the country.

Some hon. Members: Hear, hear!

Mrs. Sauvé: The situation in Quebec—and this is having an effect on the rest of the country—could become unbearable. Therefore, there would be immense advantage to holding a referendum on the question of national unity. That is the meaning of this legislation.

I cannot understand why the opposition does not accept this measure. I can see that they might find some fault with it, but we are prepared to discuss that. However, they refuse even to consider that this is a measure which is needed at this time. I am surprised this point escapes someone like the hon. member for Brome-Missisquoi, who comes from the province of Quebec. Rather than relapsing into political expediency, with the opposition seeking to contradict us at all times, I thought he would have used his offices as a Quebecker to influence his party. After all, he is a senior member and must have some influence in that party. However, he let himself be superseded by one of the recently attracted political stars. I am sure the opinions voiced by the opposition originate there rather with someone like the hon. member for Brome-Missisquoi who has been living in the province of Quebec for a long time. I say to the hon. member, never abandon your position in a political party. Never abandon it to anyone else. Holding your position in politics is of the essence.

I appeal to members on the other side to join in giving the government this instrument which could be used to dissipate the confusion which is being systematically nurtured. The Parti Québécois know that if they are clear, they will be defeated. Our task as federalists has become increasingly difficult in Quebec with the accumulation of these ploys, contradictory statements and misuse of words which are constantly being hurled at the people. We must keep clarifying the issues, pointing out the manner in which everything is being done at the present time.

I plead with hon. members, do not add to this confusion. Try to see through this constant manipulation of the people which, in my view, is a most sinister abuse of democracy. If you follow the scene closely and apply some political judgment to your analysis, you will find that this referendum bill is indispensable. It is an indispensable response to the circumstances and crises which this country faces.

[*Translation*]

Because we want to know, Mr. Speaker, that while the process of amending the constitution is going on in Canada, the process of disruption has already begun in Quebec. However, being unable to anticipate the consequences of the venture, the government of René Lévesque stalls, dodges the issue and fosters confusion, postpones its deadlines, launches a vigorous propaganda campaign to seduce Quebeckers and make them believe they can be both Quebeckers and Canadians in a separate Quebec. In that context, it is urgent that the government of Canada take it upon itself to set the people straight and to shed light on a political manoeuvre which clearly appears today to be a death-trap and a risky gamble on the future of Quebeckers.

Because of those manoeuvres, we had to react and to provide ourselves with an instrument at least equal to that of the Parti Québécois. So a referendum is necessary. We will hold a referendum if necessary, but not necessarily a referendum.

[*English*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, it was not my intention to participate in this debate. However, after having sat through it yesterday and today I feel compelled to do so. The word "distort" has been dropped often in this debate by way of an accusation by one or other hon. members on the opposite side. Sitting here listening to the speeches during the parliamentary days since we have been back, the greatest distortions have been coming from the other side.

The hon. lady who just resumed her seat and other members opposite have said that we do not really understand the situation in Quebec. Is it because we do not live there? If that is the case, I can equally say that the President of the Treasury Board (Mr. Buchanan) does not understand the Yukon because he does not live there. Nor does he live in the province of Quebec. However, I do not say that. One does not have to live in a province to understand what is going on there, any more than one has to live in another country to understand what is going on in another country. It helps, certainly, but I do not suggest to the hon. lady or to any other member opposite that they do not understand the Yukon because they have not lived there. I have been fortunate enough to live in every province and both territories of Canada, but I do not say I understand the country because of that good fortune.

● (1540)

This distortion has been brought out by each successive speaker on the government side, and at the same time they say they are not using the national unity question as an issue in the forthcoming election campaign. All their speeches have been

focused on the question of national unity and very little time has been devoted to the dangers inherent in this bill itself. I might say that the main factor—I am glad to see the hon. member for Toronto-Lakeshore (Mr. Robinson), I believe it is, in his seat because he served in the last war—that caused me to seek the Conservative party was what happened in this country in 1942; I shall have one or two things to say about that in a moment.

Speaking of distortions, the hon. lady says we are against public referenda in Canada. Yesterday I saw she was in her seat when our leader spoke on the subject and made it clear that we were not against a referendum on the question of unity or any question concerning Quebec. We are not against it at all. But we did make it quite clear—the Leader of the Opposition (Mr. Clark) did this yesterday in a very eloquent fashion—that the question should be a specific one and that parliament should decide on that question.

The hon. lady says it is logical to ask Premier Lévesque to make his question clear in the referendum, that it is logical we should insist on that clarity so that the people of Quebec will not be confused when they come to vote for or against. I agree. But if it is logical to demand this of Premier Lévesque, is it equally logical for us in the opposition to demand that the government make its question equally clear before we are asked to pass judgment upon it? So when the hon. lady and others over there say we are against referenda, that is false; it cannot be dignified by any other description. And when hon. members over there say that because of the dangers we see in this bill, and our position in opposing it, we do not trust the people of Canada—I hear this from the NDP, too—that is equally false. It is simply not so. If it is sensible to hold a referendum on the question of unity then, surely, we should know the question; and that has been the practice on previous occasions in this country when a referendum was held. We say: Bring in a simple bill and write the question into the bill. We want a clear question formulated.

Yesterday the hon. member for Gloucester (Mr. Breau)—I believe that was his riding; it was either him or the hon. member for York East (Mr. Collenette)—spoke on national unity. I sometimes think that members over there, when they are speaking on questions as vital as this one affecting the nation have tunnel-vision which prevents them from seeing the 40 per cent of Canada above the 60th parallel. He said he got angry because we on this side were not concerned about the question of unity. Well, if he experienced anger with respect to the debate which is going on today over unity, imagine my frustration and the frustration of those who live in the Yukon. Here are people fighting to get out of the country and there we are in the Yukon fighting to get in. Does the government of the day hear our pleas? Is there any question of holding a referendum to seek the opinions of those in the Yukon wishing to join confederation? I should say not. Indeed, the Prime Minister (Mr. Trudeau) takes exactly the opposite view.

For this reason I was disappointed in the report of the Task Force on National Unity because there was not one single reference in that report to those Canadians in the Yukon, to those Canadians whom I represent—and I come from the most westerly city in Canada. There is a brief reference to the travels of the task force; they say they travelled from St. John's, Newfoundland to Yellowknife. That is as far as the reference goes. We were not totally absent, though, because the coat of arms of the Yukon was displayed on the front cover of the report. That was some small consolation; we were remembered, somehow, but I do not think it was in the minds of those responsible for compiling that report.

The minister who has just spoken says she cannot understand why we do not accept this legislation. She, and speaker after speaker from the other side, have accused us of opposing everything, making a broad, generalized accusation that we are somehow a party of chronic opposition and chronic filibustering. She has forgotten the pipeline legislation of last year and how, if it were not for this party, that legislation might not even yet have seen the light of day in this House.

They distort not only the position taken by the hon. member for Rosedale (Mr.Crombie) and the Leader of the Opposition—that rug has been pulled out from under them, now—but they have tried to make an issue of this reference to negotiating sovereignty association, separatism, or whatever. I might remind them of the remarks made by their own leader as recently as December 20, 1977. They were indignant that we or anyone would even consider negotiating a question of separatism with the people of Quebec, yet in an interview with Bruce Philipps on December 20, 1978, The Prime Minister was asked this question:

> But there is no real, legal way to separate, is there, Prime Minister? It is not provided for in any law that I know about.

To which the Prime Minister replied:

> No, it is not. That is why there cannot be any unilateral declaration of independence. But in the same way there was no law in Britain permitting any of its colonies to separate. When the reality of a colony no longer wanting to be a part of the British empire arrived, well, the Brits just passed a law. What I am saying basically is that if ever Quebeckers by an overwhelming majority decide they no longer want to be a part of this country then they are going to sit down and negotiate with the rest of the country how they can be kept in.

That was said by the Prime Minister. Yet they are accusing us of somehow bargaining the country away by saying exactly the same thing. Of course, we will talk with the people if the referendum which is to be held, presumably in Quebec, is passed by a majority. It is either that or allow the country to do down the tube, and that is certainly not want I intend to do.

● (1550)

I want to touch on something which is quite important in this debate. The Leader of the Opposition laid out the dangers inherent in this legislation with abundant clarity. I, like others on this side who have expressed opinions, am very disturbed by this legislation. It means the end of responsible government in this country. In a moment or two I am going to quote verbatim the words uttered in the 1942 debate by the right hon. member for Prince Albert (Mr. Diefenbaker). At that time he coined a phrase: "Not government by legislation, but government by plebiscite". That is the direction we will take if this referendum bill is passed.

What the hon. member for Gloucester neglected to point out yesterday and what the hon. member for York East neglected to point out, when they accused the Leader of the Opposition of not having read the bill and when they trotted out the safeguards they thought were contained in the bill so that no abuses could occur, was the fact that if this bill is passed, it will permit the cabinet to frame questions, and it will permit the government with its majority—and this legislation is more likely to be abused by the present majority than by any other political party I can think of—to lay on the whips and ask questions regardless of the opinion of anyone else in this House. That same danger was inherent in the 1942 legislation.

It is no comfort whatsoever to say that whenever a question is framed, if ever, on whatever issue or problem, it will be brought before the House of Commons and allowed 40 hours of debate, which is closure in advance. It is no comfort whatsoever to me, and I am sure to others on this side, to be told that this is a safeguard. That is simply phony terminology. Thirty-five hours is the advance closure in the Quebec legislation, as I understand it. No other country in the world which has legislation authorizing referenda imposes any limit on debate. That point was omitted from the arguments yesterday, and this is an extremely dangerous provision in the bill.

Mr. Breau: Mr. Speaker, I wonder if the hon. member for Yukon (Mr. Nielsen) would permit a question.

Mr. Nielsen: Certainly.

Mr. Breau: Does the hon. member believe that the 40-hour limit proposed in this bill is the most serious part of the bill, and would he agree to support this kind of legislation if there was no time limit on debate?

Mr. Nielsen: Mr. Speaker, I appreciate the hon. member's question. I did not notice whether he was in the House at the beginning of my remarks when I spoke about the sweeping powers granted by this bill being dangerous. The danger is not just the question of the 40-hour limit. We are not opposed to referenda, but we want to see a specific bill, such as those which were brought in in 1942 and 1898. We want to see a specific question. Then we would have our say, and the bill could pass with the government's majority. That is what we want to see. This bill is bad and it is dangerous. It is explosive.

However, the government did not stop at imposing a 40-hour limit on debate in this place. It imposed advanced closure in the other place. That is provided for in clause 5(3), which limits debate in the other place to 40 hours. That is going pretty far down the road toward totalitarianism, and it should be taken out. With its majority, the government is going to pass this bill anyway, and it is an extremely dangerous piece of legislation. It will be rammed down our throats in any event, but it is one of the most dangerous pieces of legislation to hit this place since 1942.

I pointed out to the hon. member for Gloucester that the 1942 legislation brought in by the then prime minister was couched in the same terms. The right hon. member for Prince Albert will remember that. That legislation asked for a blank cheque.

Another point of which the hon. member for Kingston and the Islands (Miss MacDonald) reminds me is that we are being asked to believe that there is such great urgency about this legislation that we must succumb to advance closure which would limit debate to 40 hours. Yet when we were involved in a global struggle to maintain the freedoms for which that war was fought, in the middle of all the urgency of a worldwide conflict there was unlimited debate. That was not even attempted to be taken away by Prime Minister Mackenzie King of that day.

Mr. Beatty: This government has made Mackenzie King look good.

Mr. Nielsen: And that is some feat. Because of the fight which was led by the right hon. member for Prince Albert and others in the opposition of that day, Mackenzie King saw the lack of sense in what he was doing. I will read some excerpts from that debate. They are to be found in *Hansard* for February 25, 1942. The right hon. member for Prince Albert said the following:

> I have in my hand a copy of the bill. Why does it not incorporate the question to be asked of the people? This bill as placed before parliament will have but one result. It will change the constitutional history of this dominion, in that it will permit the Prime Minister at any time from this day on to submit a plebiscite on any matter whatsoever to the people of Canada, with the authority of this parliament.

That is precisely what we are being asked to do today.

> It is so worded, Mr. Speaker, that it is operative beyond the war. It is so worded that the Prime Minister can continue to submit plebiscites at any time and without restriction. Let me ask this question. Why was not the method followed this time similar to that adopted in submitting the plebiscite of 1898? In my opinion this bill represents a milestone along the way that will destroy responsible government. The Prime Minister has said in effect that a great harm was done to the principle of responsible government in 1940 when he promised that there would never be conscription for overseas service, and now in effect wishes to undo the harm so that responsible government may be restored again.

That was from page 835. At page 836, drawing a distinction between the 1898 legislation and the 1942 legislation, the right hon. member said, and I quote:

> To illustrate the difference I should point out that under the measure as it now appears before parliament, the Prime Minister and his government do not have to submit any questions to the people, whereas under the plebiscite of 1898 the question to be asked was in the statute. The other major difference is that the government may submit as many questions as they choose when they choose. They may place a plebiscite on any question before the people at any time in the future. There is no control whatsoever . . .
>
> When the statute was passed in 1898 there was nothing evasive in the attitude of the government. The question was put in the statute. The regulations as to voting were contained in the statute.

After the shellacking Prime Minister Mackenzie King had received from the right hon. member for Prince Albert with regard to the irresponsible nature of the bill which was brought before parliament, and after the right hon. member pointed out to Mackenzie King the harm it would do to responsible government, the prime minister of the day said the following as it is recorded at page 837:

> I do not wish to interrupt my hon. friend—

He always said that, but he always did.

● (1600)

—but may I say that I did make it quite clear to the leader of the opposition (Mr. Hanson) when he referred to the same matter that I could see no reason whatever why the question itself should not be inserted in the bill. I hope it will be by the committee.

MR. HANSON (YORK-SUNBURY): Why not make this a special bill?

MR. MACKENZIE KING: That is all it was intended to be.

MR. HANSON (YORK-SUNBURY): Apparently the Prime Minister did not get his ideas across to the draftsman of the bill.

Perhaps the government has made a mistake here. Mr. Hanson continued:

If this bill becomes law, if it is passed in its present form, we are going to have in Canada government by plebiscite, not by responsible government.

MR. DIEFENBAKER: But this is the bill upon which we are asked to vote. If we pass this bill we allow the government to submit a plebiscite at its will, at any time and on any matter whatsoever, and against that I protest.

I imagine the Minister of National Defence (Mr. Danson) remembers that debate and the reaction that we overseas had to that debate.

The hon. member for Gloucester says he gets angry. I get angry when I think back to those days, when I think of what the present Prime Minister was doing at the time this debate was going on in parliament; riding around Montreal on his motorcycle with a German helmet and condemning Canada—

Mr. Collenette: A cheap shot.

Mr. Nielsen: It is the truth, it is the truth.

An hon. Member: A cheap man.

Mr. Railton: You ought to be ashamed of yourself.

Mr. Nielsen: I am not ashamed of my conduct during those days, but that right hon. gentleman should be; he should be.

Mr. Railton: I am not ashamed of the Prime Minister (Mr. Trudeau).

Mr. Nielsen: It is time these things were said. It is time members opposite were reminded of it, because that is what we are dealing with in this bill.

Mr. Railton: That indicates what kind of man you are.

Mr. Nielsen: He was riding around Montreal complete with German helmet, extorting Canadians in Quebec not to support the Canadian government war effort—the Canadian war effort—because "it would be supporting a British imperialistic war".

An hon. Member: Terrible.

Mr. Nielsen: But I and many others in this House—

Mr. Collenette: Whom are you quoting?

Mr. Nielsen: The present Prime Minister.

Mr. Collenette: Table the quote.

Mr. Nielsen: Well, I have it in my files. If the hon. member—

Mr. Railton: Table the document.

Mr. Nielsen: If the hon. member wants—

The Acting Speaker (Mr. Turner): The hon. member for Broadview (Mr. Rae) rises on a point of order.

Mr. Rae: Did the hon. member for Yukon (Mr. Nielsen) use the word "extol" or "extort"?

Mr. Nielsen: Extort.

Mr. Rae: Extort. Thank you, Mr. Speaker.

Mr. Nielsen: The hon. member opposite who has been interjecting—I forget his riding—also should remember that is where the two years of age was lost, in that period of time. Yes, I get angry. I get angry to think for the second time now we have this kind of legislation before us.

An hon. Member: Oh, oh!

Mr. Nielsen: I do not trust this government any farther than I can throw it with respect to the implementation of this kind of wide power.

An hon. Member: That goes for you too.

Mr. Nielsen: I would like to throw it somewhere, I can tell hon. members.

Mr. Breau: What power?

Mr. Nielsen: If the hon. member for Gloucester was not listening yesterday—

Mr. Breau: I was.

Mr. Nielsen: One of the reasons for my unrest about this bill is that it would allow the government—

Mr. Breau: Parliament.

Mr. Nielsen: This government. This government has the majority. Parliament cannot do a damn thing about resisting this bill, and the hon. member knows it. All we can do is speak and try in speaking to arouse in the hearts of responsible members opposite—

Mr. Railton: You are still in the barnyard, right on a pile of manure.

Mr. Crouse: The hon. member for Welland (Mr. Railton) is still interrupting.

Mr. Nielsen: If the hon. member for Welland wants to take part in the debate, I wish he would do so on his own time.

The Acting Speaker (Mr. Turner): The hon. member for Welland rises on a point of order.

Mr. Railton: Mr. Speaker, I think I have the right to say, when the honour of my leader is being impugned, that the hon. member opposite who is speaking is adopting a nasty, mean attitude, and that he is standing on top of some very dirty material in the barnyard.

Mr. Beatty: That is not a point of order.

Mr. Railton: We do not come to parliament to listen to this kind of thing.

Mr. Paproski: Order.

Mr. Nielsen: Spurious points of order. We got it from the hon. member for York East yesterday who smuggled in comments through spurious points of order. Let me tell the hon. member that it was not I who was going around urging Canadians not to go overseas. I went. It was not I who was riding around Montreal in those days. I was over there, if the hon. member wants to talk about honour.

The Acting Speaker (Mr. Turner): The hon. member for Hamilton Mountain (Mr. MacFarlane) rises on a point of order.

Mr. MacFarlane: Mr. Speaker, I find that kind of comment unusual. Having been one of those who served and came from Montreal, I do not remember anything like that.

Some hon. Members: Oh, oh!

Mr. MacFarlane: I just do not happen to, and I happen to have been reading French and English at that time there. So I think maybe we should be careful about making remarks about individuals.

Mr. Beatty: Do you deny it?

Mr. Nielsen: All the hon. member has to do is to read his leader's own writings. The press—

Mr. Collenette: Table it.

Mr. Nielsen: I could fill the table with them. *Time* magazine of 1965, for one. Go ahead and look; they will be in the archives, the evidence.

Mr. Collenette: Do you have it here today?

Mr. Nielsen: No, I do not.

Mr. Collenette: If you do not have it here today, you should not quote from it.

Mr. Nielsen: It is burned on my mind from the number of times I have read them.

Mr. Collenette: Place it on the table.

An hon. Member: You cannot stand the truth.

[The Acting Speaker (Mr. Turner).]

Mr. Nielsen: The Minister of National Defence knows that what I am saying is true. He knows that what I am saying is true.

An hon. Member: Stand up and deny it, Barney.

Mr. Nielsen: In any event—

Mr. Collenette: The hon. member knows he has gone too far; he is hesitating.

Mr. Nielsen: I have told only the truth. The truth hurts.

An hon. Member: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Yukon (Mr. Nielsen) has the floor.

Mr. Nielsen: In view of the interjections it must hurt, and the truth usually does; the truth usually hurts.

Mr. Collenette: We heard you yesterday.

Mr. Nielsen: That is fact and it is true. I could go on in that vein—

An hon. Member: Go ahead.

Mr. Nielsen: —but I want to stick to this bill. I am speaking in terms of what went on with exactly the same legislation in 1942. The prime minister of that day saw the dangers, and the bill went to committee. It came back from committee and all the generalities had been stripped from it. It came back from committee as a specific bill, with a specific question in it. That is what we on this side are prepared to support. There is no rush to put this bill through. When Mr. Lévesque gets good and ready to put his question, then is the time to bring a bill before parliament with the question the government wants to put. That is when we should be asked to vote on it.

An hon. Member: That is right.

Mr. Nielsen: But to ask for these sweeping powers at this time is sheer nonsense. The hon. member for Gloucester asked me about these sweeping powers, and I was about to tell him about one of my very vital concerns respecting the broadness of this bill. It is that the government can decide, because it is a constitutional issue, to put a referendum to the people of Canada, or indeed to any individual province in Canada, respecting whether our native people have any such thing as aboriginal rights. They are a minority—

Mr. Breau: You have to put that to parliament for approval.

Mr. Nielsen: This bill is not putting things to parliament. It is a bill for putting questions to the people of Canada or to any other province, the population of any other province.

Mr. Paproski: Draw the hon. member a picture.

Mr. Nielsen: Hon. members opposite have said that we do not understand the bill, but judging from the comments of the hon. member for Gloucester, it is painfully obvious that he not

only has not read the bill, but has not even listened to the debate.

Mr. Breau: I have read the bill.

Mr. Nielsen: Under the provisions of this bill, the government could put that very question by referendum to the people of Canada or to any particular province.

Mr. Breau: If approved by parliament.

Mr. Nielsen: It will be approved by the government, not by parliament. The government has a majority and what it decides to do it is going to do. It does that in this place and in every single committee because of its majority. Do not try to snow us, or, as the hon. lady describes it, confuse the issue, by saying parliament is doing this. We are not doing it; we are opposing it. Hon. members opposite are doing it. It is wrong, dangerous and should be booted out if there is a possibility of such a question being put to the people of Canada in respect of native rights by way of referendum. That is dangerous, and for that reason alone it should be booted out, because there is that possibility. To do the proper thing we should follow the course we followed on two occasions in Canada, in 1898 and in 1942, when specific questions were set forth in specific bills.

● (1610)

Once again, to emphasize by repetition, let me say that, apart from the province of Quebec with its legislation, this is the only jurisdiction in the world that is putting advance closure on the debate on a question, whatever question the government decides to dream up, not only here but in the other place as well. That to my mind, sir, is right next door to a totalitarian state.

[*Translation*]

Mr. Armand Caouette (Villeneuve): Mr. Speaker, it is with pleasure that I take part in this debate which is of great importance and which will mark an altogether significant step in our collective and political life. Let us not kid ourselves, the sole reason why this bill is before us is the victory of the Parti Québécois on November 15, 1976. While this bill concerns every Canadian, it is of special concern to Quebeckers for they will have to take a decision on the constitutional future of Quebec.

Quebec is like a giant who has just woken up, a province which now entertains doubts about its history, its culture, its social organization and its political institutions, wondering as well why it should belong in Canada such as it was established in 1867 by the Fathers of Confederation. Yes, Mr. Speaker, Quebec has woken up and possibly this awakening will bring a second breath, a new vigour to the idea of a real Canadian confederation. If members of the Canadian federation want to keep Quebec in, they will have to accept it as a fascinating and full-fledged society.

The Task Force on Canadian Unity has just published its report, where it talks, of this awakening, in the chapter intituled The Anatomy of Conflict. It says, and I quote:

> For the longest part of Quebec's history one theme dominated the cultural life of the collectivity. That theme was *survivance*, or sheer survival. This overriding concern for the maintenance of the way of life of a people coloured the relationship between Quebeckers and their compatriots.

But, Mr. Speaker, only an insensitive observer of the life of the province could fail to note a substantial shift in approach in which that community's concern for survival is now expressed by the thoroughly contemporary and dynamic pursuit of its own development.

Mr. Speaker, those remarks were made by a task force which was created by the Prime Minister (Mr. Trudeau) himself and which described itself as being federalist. Such a quotation is a good illustration of the confusion which prevails in Canada today and of the long way we have to go if we are to restore national harmony. The Task Force on Canadian Unity proposes a new federation, and even though Quebeckers feel that those recommendations do not go far enough, yet these reflect a state of mind which is more conciliatory and not based on childish fights. One cannot talk, Mr. Speaker, of that state of mind which is suggested by the task force without wondering about the federal government's state of mind when it comes up with this bill concerning the holding of a referendum on matters relating to the Constitution of Canada.

When I talk about the federal government's state of mind, I refer to its real intentions in relation to the possible holding of that referendum. In any case, if this bill is passed, hon. members of this House may not have to wait long before they get into a debate on a referendum question. This bill does not concern Quebec alone, but the federal government might indeed use it in any litigious matters between the central government and the provinces.

In spite of the constitutional conferences, the present frame of mind is much more directed toward confrontation than toward dialogue. All this is understandable since one side wants sovereignty association and the other seeks centralized federalism. Canada needs a constitutional readjustment and this is the spirit which should prevail. Since 1945, provincial responsibilities have kept increasing. Just think about the importance of natural resources, education, public health. And yet the flexibility of the British North America Act is often limited in terms of subsidies to the provinces.

Always in the same spirit, the election of the PQ is a reaction to an old constitutional arrangement which goes back as far as 1867 and which does not reflect today's reality. I sincerely think, Mr. Speaker, that we shall have to renegotiate seriously the Canadian confederation before holding a national referendum. Otherwise we would be putting the cart before the horse. Can we demonstrate our seriousness to the Canadian people when there were no serious negotiations? I shall accept a national referendum when we have had serious negotiations

and when the Canadian people as a whole, and particularly the people of Quebec, have before them really concrete proposals.

Assuredly, Mr. Speaker, the Parti Québécois government is going to hold a referendum within one year; it will seek approval to negotiate the conditions of sovereignty association; this is not a good deal for the federal government and it would be most unfortunate if Quebec should separate from Canada. It does not mean however that the central government should not reform the constitution to make it more favourable to the well-being of Quebec and other Canadian provinces.

Mr. Speaker, I should like to warn the government that its lack of responsibility as far as national unity is concerned could turn out to be very expensive for Canadians. Indeed, by acting in an obstinate fashion, the federal government would help considerably the all-out supporters of separatism in Quebec. In the present context, Bill C-9 would betray the interests of Canadians and provide a dangerous opportunity for propaganda. We have heard about national unity for several years, especially since November 15, 1976. I consider that this word, Mr. Speaker, is mere propaganda because it assumes uniformity and thus does not correspond to the Canadian reality.

● (1620)

Canadian unity does not exist and has never existed, because there have been too many different groups. However, there are groups in Canada that are willing to share their common interests. The central government's role is to channel the common forces in the best interests of all communities. I should like to remind hon. members that national unity implies cultural homogeneity and sometimes a unitarian government. Therefore, Mr. Speaker, such is not the case in our country.

Before asking Quebeckers whether or not they are in favour of sovereignty association or whether they prefer our present federalism, it would be in the interest of the central government to make serious proposals instead of minor reforms such as those proposed in the former Bill C-60. Canada has to be rebuilt in order that our ten provinces and our two territories may fight for a common cause. I believe Canada must form a marriage of convenience, and if this country is to grow, it is essential. All parties concerned should be able to fulfil themselves. There cannot be a really viable Canada and a legitimate partnership unless the two contracting parties have freely agreed to it and unless each party recognizes that it is clearly in its interest to share its existence with others.

Until such time as circumstances change, any partnership such as Canada must recognize the right of all parties to the contract to very flexible formulas for amending its constitution. After 110 years, each and every one of the provinces has the right to examine its situation in relation to confederation and to renegotiate sections of the constitutional act. To date, the Quebec government alone has expressed its intention of holding a referendum on the constitution.

[Mr. Caouette (Villeneuve).]

I therefore ask the federal government and hon. members to respect the spirit of the Canadian confederation and wait for the results of the Quebec referendum. I feel that Canadians must express their views on the constitutional future of the country after a provincial referendum. Provincial governments and many Canadian citizens are displeased with the present federal system. The current distribution of responsibilities between the federal and provincial governments no longer reflects reality. The federal government machine has become too cumbersome and we have to submit to regulations that border on inefficiency.

I have here in my hand, Mr. Speaker, a letter from a citizen who lives in Radisson, on James Bay, and who is having problems with the unemployment insurance system. I would like to repeat to hon. members some of his quite enlightening comments about the present system. Here is what he says:

> Why should I be against federalism? Perhaps because I am now convinced that I am supporting a costly, ineffective, system which is so overburdened with legislation, regulations, paper work and bureaucrats that it cannot deliver the opportunities promised when I adhered to the system.
>
> Why should I be unable to obtain benefits for which I have been paying premiums for years?
>
> Is it unreasonable to believe that the part I play in a project as remote as James Bay will make me lose the benefits to which I am entitled?

As it can be seen, this citizen is not pleased with the government and he is not alone. In closing he writes, and I quote:

> To relieve you from the painful task of reading my indignant comments, I will tell you, sir, that I want to be a positive asset in a Canadian and Quebec community, but if a referendum is to be held in the near future I will not consider it as a political but rather as a practical matter, to wit, have I paid to support a system which has not given me what I could rightly expect?

Mr. Speaker, that is the fundamental question we must answer when we consider this legislation. That is the question the Pepin-Robarts commission attempted to answer. That is also the question the various governments and especially the federal government must answer. That is the question the provincial governments must discuss and it is the issue to which will relate the reforms they will submit to their people.

Mr. Speaker, I insist on the fact that the federal government is a creature of the provinces and that all constitutional reform proposals must come from them. The latest constitutional conferences have indicated a general dissatisfaction which is not peculiar to Quebec. All you can hear about in the province of Quebec is dissatisfaction. The people of that province have elected a government whose option is sovereignty. I think the situation is serious enough and that there is no need for us to make it worse by holding a second referendum without any previous negotiation. I deplore that atmosphere of confrontation which opposes the federal government and the government of Quebec. We have had a war of statistics and we shall soon have a war of referenda.

Mr. Speaker, earlier I referred to the state of mind of this government. I am afraid that its attitude and that of the right

hon. Prime Minister (Mr. Trudeau) are not very conciliatory. On the one hand he wants to adopt this bill with a certain measure of haste; on the other hand, at his press conference last Friday, he refused to acknowledge the Canadian duality which Quebec exemplifies. Something which the Pepin-Robarts commission has already acknowledged. The right hon. Prime Minister has often stated that he would refuse to negotiate the possibility of sovereignty association in case Quebeckers replied affirmatively to the Parti Québécois referendum. I suggest that the attitude of the Prime Minister and his cabinet colleagues is quite arbitrary. It is not certain that Quebeckers will reply affirmatively to this referendum. As elected members of the Canadian public, we are not asking the government to negotiate the independence of the province of Quebec, but instead a constitutional arrangement which would recognize the particular character of each Canadian province.

Many recognize that the present government is suffering from a superiority complex, and also from what I would call a chronic case of inflexibility. It is indeed showing its inflexibility by engaging in this all-out fight, when the interests of all concerned would dictate co-operation and understanding between partners. In any event, Mr. Speaker, the present political climate and the general purport of Bill C-9 lead me to believe that this referendum will be a propaganda tool rather than a means of discussion and information. The government restricts the scope of its referenda solely to constitutional issues. Besides setting limits of referendum expenses, the bill defines eligibility to the referendum vote and air time allocated to opposing groups as well as to federal and provincial parties. To go back on those main themes, I must say that I deplore the fact that the bill is concerned only with constitutional issues, whereas several other points could be considered, such as abortion, capital punishment, social policies, and so on.

On December 12 last, the former minister of state for federal-provincial relations and the leader of the New Democratic Party praised the democratic merits of referenda. We even heard the leader of the New Democratic Party give his support to this bill. I would suggest to him that he think it over carefully before voting for this bill. I would like to remind hon. members of this House that the result of the referendum would not in any way compel the government to respect the opinion expressed by the public; so one may wonder what the government's reaction would be to a positive response of the people concerning sovereignty association for Quebec. Once again, the Prime Minister said last Friday that he would not negotiate. This means that the government might follow the policy established before the referendum in spite of the opinion expressed. If the referendum is negative, there will be no problems for the federal government, but we must question the legal value of a strictly consultative referendum.

Furthermore, we do not know the wording or the scope of the referendum question. I fear a serious confrontation might be brought about by two referenda, one by Quebec and the other by the federal government, for each of them will try to rally the people to its cause. Mr. Speaker, I would also like to make a few comments on the air time and the expenses allowed. We can see that the air time will be in part allotted to the federal parties and in part to the provincial parties of each province. This means that the federalist parties will get almost all the air time.

I would also like to voice serious reservations about allowable expenses. Bill C-9 is much less restrictive than the Quebec law. Referendum expenses and contributions made by a person, a group or a political party must not exceed $5,000. But only registered political parties and referendum committees will be allowed to make contributions and expenses exceeding $5,000. I believe that this part of the bill discriminates against small political parties and referendum groups. I cannot see how the government can claim it is exercising democracy with such rules. It becomes very obvious that groups and parties with unlimited funds at their disposal will enjoy a clear advantage over the others and this constitutes a propaganda risk.

Mr. Speaker, I will conclude my speech by putting hon. members and Canadians on guard against the risk of manipulation of public opinion. I am not imputing wrong intentions to the government, but I do want to warn them that this legislation could be a major asset in the constitutional dispute. Before holding a referendum, it would be preferable that the governments negotiate and put before the people a real common constitutional project aimed at the development of all Canadians and the economic, social, political and human progress of this country. Canada is a great country of which we must be proud. There should be no room here for discord, so let us show the entire world that we are a nation that is basing its relations on mutual respect and harmony.

● (1630)

[*English*]

Mr. Wm. Andres (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, I am very pleased for various reasons to be able to enter the debate this afternoon on Bill C-9, the referendum bill. From the outset I had made up my mind that I wanted to take part in the discussion because I believe in this country, Mr. Speaker. I believe in the rights, freedoms and privileges of each group and of each region. I believe that as Canadians we have an obligation to each other, a responsibility to each other, to keep this country united. This country was born as a result of people coming here for various reasons in their search for freedom and opportunity. I believe it is the responsibility of the government to see that those freedoms and privileges are protected.

Canada is made up of diverse groups of people of various cultures and traditions and, indeed, with two official languages, yet it is rooted in many other languages. These rights and privileges have been recognized by this government, but now there appears to be a threat. Indeed, there not only appears to be but there is a threat. One government in this

country has as its aim to separate from confederation, not necessarily by the will of the people within that province. It has taken upon itself to make that move supposedly in the interest of that region.

The federal government has a responsibility to see that those people get a fair hearing, that the views of those people are respected, that their views are not distorted but are taken into consideration. It is for these reasons that I support this bill.

While the leaders in that particular province have taken upon themselves to move the province out of confederation—and it may even be by various and devious means—they have suggested that when all else fails, as when the support of the people failed prior to the election of 1976, they would not separate from the rest of Canada without a referendum. Subsequent to that many statements were made because it was felt that they did not have the support of the people. When we question the motives and methods that may be imposed upon the people of Quebec we must also take a stand to protect the rights of the people in that province as well as the rights of all regions of Canada.

Many words were uttered in this House in the few days before the Christmas recess on this subject. The hon. member for Yukon (Mr. Nielsen) referred to what he called the distortion of this bill by various speakers. I cannot accept that kind of remark, Mr. Speaker, because I am convinced that all parliamentarians are here to represent the views of the people in their constituencies as well as the views of Canadians from all corners of the country. I do not believe for one moment that there are members of this House who would willingly distort the intent of that bill, the words contained therein, or the purpose of the bill.

The hon. member also suggested that the bill was bad, dangerous and explosive. I take the opposite view, Mr. Speaker. The bill is not dangerous, nor is it explosive. The bill is in the hands of the government, in the hands of this House, in the hands of parliamentarians; if it is dangerous and explosive then maybe the hon. member for the Yukon ought to look at himself and his own motives in reflecting on the bill.

Parliamentarians need to take a rational approach. At times in this House we take a very partisan approach, and I have been party to that course myself sometimes in an insignificant way. I do not believe that at this time, however, there is room for partisan politics because the future of this country is at stake. I am convinced that we are all concerned about it. We need to have a unified approach. Goodness knows we have enough discord in various parts of Canada. I even see the discord and fracture on the other side of the House when I hear some members talk about sovereignty association and negotiations for sovereignty association. Then later I hear remarks from speakers on the other side who would not negotiate.

● (1640)

We need to get our act together, Mr. Speaker. Hon. members on the opposite side need to take a look at where they are going. Maybe they ought to consult with their leader and with their constituents a little more. In the end it will be the Canadian people who will speak. It is at this time and with this bill that the federal government is prepared to consult the people of Canada. It is because of the importance of this issue, the opinions that have been expressed and the hazards that we face that I can support this kind of a view and this kind of an attitude.

I am not even sure what some hon. members on the opposite side of the House are speaking about when they talk in terms of negotiation of national sovereignty. Where is their mandate? They do not have a mandate to speak about national sovereignty or to negotiate with the PQ.

For the first time in history Canada is facing a challenge, the very outcome of which threatens to sever the bridge of her nationhood. It is that important. It is a serious question. Circumstances facing Canadians are peculiar and unprecedented in our history. We are sailing into uncharted waters never before explored. We have a provincial government that is dedicated to separation regardless of what it says. Never before has a government sought a mandate to extricate itself from the bonds of Canadian unity.

An hon. Member: What do you think happened in 1868?

Mr. Andres: We need to consult with the Canadian people, if the matter gets to that point, so that we can protect the people. It is with this reality in mind that I support this legislation presently before this House to give the Government of Canada the authority to consult Canadians on matters pertaining to its constitution. What is more important in the Canadian constitution than the plebiscite of 1898 or the plebiscite of 1942? Those plebiscites were not regarding national unity. This particular referendum overshadows all legislation that has been brought before this House. It is of the utmost importance that members on all sides of the House take a serious look at this piece of legislation and the implications contained therein. It is important that members take a serious look at their obligations and duties to this country. It is important too that they take a serious look at the wishes of the constituents they represent in each particular region of Canada.

Miss MacDonald: Just like capital punishment. That will be the next thing you will say.

Mr. Andres: Members on the other side seem to bring up the issue of capital punishment from time to time for various reasons. I am convinced that there is only one reason for doing that, and that is to drag a red herring across the floor in order to take away attention from the importance of this particular piece of legislation.

An hon. Member: I will remember that.

Mr. Andres: There is no comparison between the issue of capital punishment and the issue of national unity. The issue of capital punishment was put before this House in a free vote. Every member had his or her opportunity. It may be that members on the opposite side may have had some restriction. I

am not aware of that from the rumblings I hear, but on this side of the House it was a completely free vote.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Andres: If there are members on the opposite side who feel this is not the case, I would challenge them to get up and say so. I would like them to tell me where and how, and to give me the proof.

Mr. Beatty: The cabinet. Ask the Prime Minister (Mr. Trudeau). It was cabinet solidarity.

Mr. Andres: It seems strange to them that one can support a piece of legislation while others may not support it. That they cannot understand. I am afraid there are members on the other side who have been in the opposition so long that they do not understand how freely this government operates.

Some hon. Members: Oh, oh!

Mr. Gillies: Free with everybody's money.

Mr. Andres: Bill C-9 which is presently before the House affects all Canadians. It gives all Canadians a direct voice in the fundamental law of the land, a law which will shape the future of our country. This is a most important piece of legislation.

There are those who feel that referenda are opposed to the principles of parliamentary democracy. There may be some validity to this kind of argument. Some people will argue that referenda give parliamentarians the opportunity to shirk their duty. There may be an element of truth in that. I would suggest to those who advance such a proposition that if the shoe fits, then they may wear it. I suspect that in many cases on the other side of the House the shoe does fit.

This particular referendum which will shape the future of our country and its laws is of the utmost importance. It differentiates in many ways from referenda held earlier.

Miss MacDonald: Which one?

Mr. Andres: I cannot see any comparison at all. This referendum, as I indicated earlier, is for the protection of people who live in a region of this country. Bill C-9 is a cautious piece of legislation.

Some hon. Members: Oh, oh!

Mr. Andres: In fact, the hon. member for Villeneuve (Mr. Caouette) felt it was too restrictive and not broad enough. Time and again we have heard that this bill is too encompassing, too broad and too vague. The opposition say that if it only asked one question, they would support it immediately. I do not understand that level of thinking. I see a question in this bill: the protection of the Canadian people is at stake. If members opposite do not understand that, it is because they are not familiar with the bill.

● (1650)

This bill is very definitely aimed at the referendum that is supposed to be held in Quebec. The bill has an expiry date. It is under the complete control of this parliament. Where are the broad powers? Where is the question that hon. members opposite look for? Only parliament can initiate a referendum the result of which would be subject to the approval of parliament. If members opposite do not have faith and trust—

Miss MacDonald: In this government?

Mr. Andres: I said in parliament. The bill will be under the complete control of this parliament. It is ironic that as we will be facing the electorate of this country—

Mr. Gillies: Soon, I hope.

Miss MacDonald: That is the referendum they ran away from.

Mr. Andres: Members opposite feel confident. However, I can understand why their confidence has been somewhat clouded in the last few weeks by the jolly running around of their glorious leader and the various views expressed by some of the new shining stars on the horizon.

Mr. Chrétien: Tiny stars.

Mr. Andres: I can understand why they have even lost faith in themselves. Consequently, they do not understand the true meaning of this bill and the protection that is included therein. The referendum is advisory. We are seeking advice from the Canadian people on a question as important as their own future. It complements the parliamentary system by providing an additional check. In no way does it withdraw the powers of parliament or the responsibility of parliamentarians.

Mr. Johnston (Okanagan-Kootenay): It sounds superfluous.

Mr. Andres: In no way can this referendum be compared to the plebiscites of 1898 or 1942. In no way can it be compared to any question facing this nation because it talks about the future of this country.

It has been stated that referenda tend to be divisive. They are not; they are consultative. It is when people are not consulted that the division creeps in.

The issue involved in this bill concerns the roots of our nationhood. We are not afraid to go to the people to ask if they want to remain united. I am afraid the members of the opposition know the answers but are not responsible enough to face up to them. Sincere, honest citizens want this country to remain united and strong. It is only through this consultative process that we draw the people in and give them an opportunity to voice their opinions on national unity for the good of all Canadians. Canadians feel attached to this country. It is time they now be given a chance to voice their opinions. What will the referendum prove? It will be an affirmation from Canadians, a statement that above all else they wish to continue as Canadians from coast to coast, from north to south, in a

country with ten provinces and two territories united under the banner of Canadianism.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my party is quite prepared to see this bill come to a vote this evening if the other parties are prepared to allow termination of the debate. If the other parties are prepared to terminate the debate tonight, I will be the last speaker for this party. I would indicate to the government and members of the other parties that, if it is decided that the debate will not end this evening, our members may well want to participate further in the debate.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member might permit me to say that, as far as today is concerned, we have only one more speaker, the hon. member for Broadview (Mr. Rae).

[*Translation*]

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

Mr. Deputy Speaker: The hon. parliamentary secretary on a point of order.

Mr. Lachance: Mr. Speaker, following the hon. member's remarks, I would like to say that on our side we are ready to vote as soon as the House is ready to do so.

[*English*]

Mr. Beatty: Mr. Speaker, I am pleased that there is a growing consensus that the debate be brought to a termination. I repeat, our party is prepared to have the vote taken this evening. If the other parties would like a vote this evening, we are prepared to terminate our participation at second reading as soon as I complete my remarks. However, if the debate continues beyond this evening, there are members on this side who may well choose to participate.

As there are only two minutes remaining before five o'clock, I wonder whether I might call it five o'clock and carry on at eight o'clock?

Mr. Deputy Speaker: Is it agreed that we call it five o'clock?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Edmonton-Strathcona (Mr. Roche)—External Affairs—Assignment of special adviser in departments; the hon. member for York Centre (Mr. Kaplan)—Business of the House—Second reading of bill concerning Arab boycott; the hon. member for Victoria (Mr. McKinnon)—National Defence—Commitment to increase defence budget.

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

● (1700)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

RAILWAY ACT

RIGHTS OF WAY TO REVERT TO CROWN

Mr. G. H. Whittaker (Okanagan Boundary) moved that Bill C-208, to amend the Railway Act (ownership of land where line abandoned), be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, the reasons for presenting this bill have not changed since I first introduced it in the House some four years ago. We have discussed the bill and my motion that the government introduce such a bill on at least three occasions. Even though Liberal members, at the urging of the Minister of Transport (Mr. Lang), talked out the bill and my motion, I find that they have not put forward any valid reason for rejecting the bill. While talking out my bill, government members wasted valuable hours by discussing other phases of transportation.

On February 28, 1978, the hon. member for Assiniboia (Mr. Goodale) spoke for almost 20 minutes on the Hall commission report with respect to prairie grain transportation before telling us that the Minister of Transport had signed an agreement with CNR and CPR in the fall of 1977 which would parallel the intent of my bill. At that time I had not seen the agreement. Since then I have tried to obtain a copy from the minister's office.

Finally I obtained a copy from the office of the hon. member for Vegreville (Mr. Mazankowksi) after he was promised one by the minister at a committee meeting. I do not know at this time whether this agreement was signed or not, for I was not able to obtain a signed copy. Whether it has been signed or whether it has been used, no one seems to know. It is very easy for the minister to show a copy of an agreement that he and his department have dreamed up but is it valid? Has it been used? What use has been made of it?

For the record, I would like to read a copy of the agreement. It is between Her Majesty the Queen in right of Canada and the Canadian National Railway and Canadian Pacific Limited. It reads:

Whereas CN and CP have been requested by Her Majesty to make a gift, in the public interest, of certain branch line rights of way and they have acquiesced in this request as hereinafter recorded,

Now Therefore the agreement witnesseth that the parties hereto mutually agree as follows:

Upon receipt of an order from the Canadian Transport Commission authorizing abandonement of rail lines within the provinces of Manitoba, Saskatchewan and Alberta on or subsequent to August 5th, 1977, CN or CP, as the case may be, will forthwith transfer to Her Majesty by way of gift all its title and interest, mines and minerals excepted, to its right-of-way and lands appurtenant thereto. In respect of such line, excepting only the portion of any such rights of way and lands lying within an urban area, subject to the right of CN or CP, as the case may be, within eight months after the date of the order from the Canadian Transport Commission or the date of the abandonment specified in such order or the date of this agreement, whichever is the later, to enter onto such transferred lands to remove rails, ties and other railway materials therefrom. CN or CP, as the case may be, shall be responsible for the payment of taxes and maintenance of such transferred lands until it has removed the aforesaid rails, ties and other railway materials therefrom. General descriptions of the lands which it is contemplated are to be transferred pursuant to this paragraph have been prepared by CN and CP and are attached hereto as schedules A and B respectively and proper land descriptions of these lands will be incorporated by CN and CP in the transfer documents.

IN WITNESS WHEREOF the parties hereto have executed this agreement by their proper officers in their behalf duly authorized in that behalf on the day and year first above written.

I believe this makes it clear that contrary to the statement by the member from Assiniboia the agreement will not serve the intent of my bill. I would, therefore, specifically urge the hon. member for Assiniboia and the hon. member for Battleford-Kindersley (Mr. McIsaac), who tried to explain that the purpose of the bill was served by this agreement, as well as all hon. members, to read my bill and the agreement. I am sure that after reading my bill and the agreement they will see the intent of my bill is not reflected in the prairie rail agreement.

In the first place, Mr. Speaker, the agreement between Her Majesty the Queen in right of Canada and the CNR-CPR, is for specific rail lines abandoned in the provinces of Manitoba, Saskatchewan and Alberta. This is a real issue. This agreement is not for all of Canada, it is just for the prairies, and not necessarily for all lines that may be abandoned in the prairies. This type of agreement should be included in a bill and included among federal statutes, not decided through ad hoc agreements, secret meetings and agreements within agreements.

Agreements of this type apply only to specified parts of the country, leaving other parts of the country to fend for themselves. For example, British Columbia is excluded from the agreement. There are problems in B.C. of equal if not more consequence, when it comes to rail abandonment. Agreements such as the one to which I referred forget an important concept—the retention of rail corridors.

The requirements of British Columbia, because of their dwindling rail system, are of at least equal importance as those of the prairies. This can also be said for eastern Canada and the Atlantic provinces. My bill would have the effect of ensuring that important rail corridors will remain open and of giving federal and provincial governments responsibility for these corridors which they will have to assume in the future.

The responsibility to provide transportation corridors in the future, when our present non-renewable fossil fuels run out, will fall on the government, not on the railway companies. It is true the companies may have had to pay for some land in the past, but this was more than compensated for by the many "sweetheart" deals they received from the government in the form of land grants and subsidies.

I take exception to the idea that the railways should retain the rights to the mines and minerals. They were granted land for the purpose of building a transportation system. It adds to the credibility of the claim that CPR is no longer simply a transportation system but is, rather, a huge conglomerate with various other interests. Imagine the confusion which would result if a mineral find should occur on a narrow corridor while these big conglomerates are holding the rights. Surely the Minister of Transport, the Department of Transport and the Canadian Transport Commission can see far enough into the future to avoid this type of situation. It may only be a rare event, but think of the confusion it would cause.

A most important aspect of the agreement, Mr. Speaker, is the exclusion of portions of land and rights of way that lie within an urban area. This is one of my main arguments for having such a bill on the statute books. If valuable national assets are permitted to be broken up and sold off for short term advantage, future generations will be deprived of vital transportation corridors.

In the long run, shortage of renewable fuels will enhance rail transportation using these corridors. As fossil fuels are depleted these rail corridors will become increasingly important. The expense of reacquiring abandoned rights of way or opening new ones in built-up urban areas will add significantly and unnecessarily to transportation costs. It is in these very areas, urban areas, that it is most important that the corridors revert to the Crown.

No wonder, Mr. Speaker, the railways were so fast to sign the agreement, if the agreement has, in fact, been signed I have seen no evidence that it has. It is no wonder they made this agreement with the Minister of Transport. They knew full well that they were trading off less expensive land in rural areas in return for very expensive land in urban areas and cities.

● (1710)

Let us consider, for instance, Penticton, British Columbia, where a portion of the CPR's line has already been the subject of a hearing for abandonment. Marathon Realty is not too interested in the rambling line through the mountains, but even before the rail line abandonment is final it has already begun to sell off and take options on valuable property in the city of Penticton, some of it on the waterfront.

It is something again to know that a cattle rancher in a rural area has experienced a hassle in getting a crossing over a CPR

line which has not been used for years, yet when he travels to Penticton he can see that rail crossings have already been paved over, knowing that approval for abandonment has not yet been granted. This is a typical way in which the railway tries to use its "authority".

My bill says that title of ownership should be vested in the Crown in the right of Canada. This, of course, means that the federal government would obtain ownership.

I know that there is some concern among the provinces that they should be the ones to receive title. I am not arguing against that, as I believe they have a good case. After all, in most cases Crown land is owned by the provinces. During the hearings of the constitution committee last year it was determined that both federal and provincial governments could own Crown land. This point could be sorted out at the committee level, should the government in all seriousness see fit to pass this bill at second reading. It might be best to have these rail lines revert to the Crown in the name of provincial governments. After all, the provinces should be the ones to deal with municipalities, not the federal Minister of Transport, who says he wants to. An appropriate amendment to this effect could be made in committee before the bill is brought back for third reading.

What kind of heritage are we going to leave our children and grandchildren? They are the ones who will have to pick up the pieces and pay the costs if we in this day and age do not protect their rights.

The CPR and the CNR are big corporations. The CPR has branched out in many ways. When one looks at its record over the last few years, one wonders whether it cares about transportation. It would appear that the government-controlled CNR is more concerned about trying to emulate the CPR than about transportation in Canada. The railway companies are oriented to the bottom line of profits. They do not care who gets hurt.

It is the responsibility of the CTC to look after people's interests. Therefore, at committee hearings and at hearings with regard to the Carmi railway abandonment my appeals to the commission were to ensure that the interests of our children and grandchildren are protected in the future. I believe the CTC has the obligation to come to parliament with recommendations to change rules or laws which do not offer this safeguard to their heritage.

Parliament has an obligation to protect the heritage of future generations. It is for this reason that I have introduced this bill. Special agreements will not solve the problem. I know my bill can. When railways are granted permission to abandon lines anywhere in Canada, the rail rights of way should revert to the Crown.

The government should take its responsibilities seriously. The Minister of Transport must be aware of this and should not send in his troops to talk out the bill. He must not become a pawn of the railways. In the interests of our children and grandchildren he should support my bill or, failing that, introduce a government bill to the same effect.

[Mr. Whittaker.]

It is time for the government to be as tough on railways who rush to abandon rail lines as it so generously supported them years ago when rail lines were first constructed in this country.

Mr. Cliff McIsaac (Battleford-Kindersley): Mr. Speaker, Bill C-208 is one which my friend, the hon. member for Okanagan Boundary (Mr. Whittaker), has proposed before in this House, and it has been debated on other occasions. Having said that, I do not mean to imply that it should not be debated again, because such debate serves to give the hon. member and all members of the House an opportunity to look again at developments, happenings, activities and at the rationalization of the branch line network in western Canada. This debate affords us an opportunity to review some of those things.

I was pleased to note that this afternoon the hon. member put forward some additional arguments—I think they were very sound—to support the suggestion that the bill should be considered, even though certain other events which the hon. member discussed and which I will be discussing have taken place since the time he first proposed the bill and since the time this bill was put forward in the House.

It is interesting to look over the past record of this bill and other questions relating to railroad rights of way. This bill once again illustrates the schizophrenia of the position of my hon. friends opposite. The hon. member who proposed this bill suggests that rights of way from abandoned railway lines should be turned back to the federal Crown. I believe it was on December 19, 1977 that the hon. member for Red Deer (Mr. Towers), who was in the House a few moments ago, seconded by my good neighbour to the west, the hon. member for Vegreville (Mr. Mazankowski), moved, and I quote:

> That the Minister of Transport notify western provincial governments that he is prepared to immediately negotiate with them and with the railroads to ensure that ownership of abandoned rail line rights of way be under provincial jurisdiction.

So two completely opposite proposals have come from our hon. friends opposite within the space of about a year. However, we are getting accustomed to that. We have seen this approach in other areas as well, I suppose the most recent one being the one which has been referred to in debates and exchanges in this House over the last few days, and that is the turnaround of the official opposition with regard to economic policy. After berating this government over the last several years for the amount of government spending and the level of the deficit, over the holidays the Leader of the Opposition (Mr. Clark) showed us that he is not really worried about the deficit. Indeed, the Leader of the Opposition would enlarge the deficit and spend his way back to prosperity, after spending a number of years telling us to contain government spending and so forth. I mention this to indicate that this kind of schizophrenia in Tory policy has become the custom around here rather than the exception.

I recognize that the bill proposed today by the hon. member for Okanagan Boundary represents a very sincere effort and that in fact to a large degree it is presently part of this government's initiatives with respect to dealing with branch line rights of way. The government and particularly the Minis-

ter of Transport (Mr. Lang) have moved much further than the hon. member suggests in his bill. The bill suggests that rights of way should revert to the federal Crown. The hon. member gave a number of very valid reasons why that should be the case. This government and transport people have said that we should go further than that. Rights of way should go to the federal Crown, but in the case of prairie branch lines the rights of way left as a result of abandonment should go directly to the rural municipalities involved and, in most cases, from them to adjacent land owners.

I think we are making very good progress on the whole question of what to do with the rights of way of these branch lines and of making sure that we are getting the land back into the hands of municipalities and from there to its rightful owners.

● (1720)

During the recent Christmas recess, I met with a number of different groups and individuals in my constituency. Among those groups were rural municipal councils. Some of them were municipalities which had branch lines within their boundaries which were scheduled for rebuilding, retention and reconstruction. Also, some of them were municipalities which had branch lines in the process of being abandoned. The following questions came up at different council meetings: what is happening in this regard, what is the government doing, what can they do, and so on.

The steps respecting the abandonment of branch lines in the prairie network are as follows. First, there is a Canadian Transport Commission order authorizing the abandonment of a particular line. Second, under the agreement between transport, the CNR and the CPR, which was spelled out by the hon. member who introduced the bill, the land is deeded from either of the involved railroads to the federal Crown. Third, as I understand it, the titles could well contain leases or other related caveats as they are transferred. Fourth, the land then is dealt with by a railroad bed steering committee, with the object of getting the land back into the hands of the party who deserves it. Fifth, in most cases the level of government best able to decide and to deal with it certainly will be the rural municipality. It goes without saying that in most cases the individual or person who will have the opportunity to acquire the land will be the landowner or the ratepayer who owns land on either side of the right-of-way. Quite often railroad rights of way cut through crop land, pasture land or whatever.

Much has been made of the Hall commission. Other spokesmen have indicated that ownership of rights of way should go back to rural municipalities, so that they in turn can sell them to the rightful parties in order to compensate them in some manner for the loss of tax revenue, which revenue resulted from rail lines going through municipalities. I suspect there will be more red tape for the municipalities than there will be financial revenue from much of the land. This is because it is not worth a great deal to the municipalities in that sense, nor to the landowners whose land was split or divided by rights of way. I do not see a great deal of revenue accruing to the municipalities, even though it will be of some assistance and some value.

Initially the provincial governments of the prairie provinces of Saskatchewan, Alberta and Manitoba were very, very upset about the notion contained in the bill put forward by the hon. member for Okanagan Boundary. They were upset about the idea that this land should revert to the federal Crown and not to the provincial Crown for whatever reason. I have yet to find any validity or common sense in the arguments put forward by the provinces. I suppose it is a classic case of how far provincial power advocates will go in attempting to make the case that they will fight with the municipalities and the adjacent landowners over the right to have the land in their hands, leaving the federal Crown out of it entirely.

It has been a realization for me as to how ridiculous two levels of government can become when attempting to establish their rights in this regard. It is all right for the federal government to put up hundreds of millions of dollars to rebuild railroads, for subsidies and everything else; but when it comes time to accept back the land from the railroads, suddenly that particular aspect of railroad activity becomes a provincial responsibility and is no longer the right of the federal government.

Some of that antagonism seems to be waning. The province of Saskatchewan is represented on the committee to deal with farmers, rural and urban municipalities. The committee will look at the entire process of determining who should be the rightful owners of some of the land being turned back.

A great deal of progress has been made since the hon. member put forward his bill. I recognize his bill goes further than the present practice and policy of the government, although the practice and agreement established by the government and the two railroads to deal with the rights of way, which are now in the process of being abandoned across the prairies, certainly will form a precedent for rights of way in the hon. member's part of the country and other parts of Canada. As I said on a previous occasion in this debate, the bill does not go nearly as far as the government has gone in dealing with this question. The bill is somewhat redundant because we have progressed beyond the point referred to, the objective of the hon. member's bill.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to make a few comments regarding the bill before the House today, I commend the hon. member for suggesting that the land in question should revert back to the Crown. His idea is a fine socialistic one. The land will go back to the Crown and be distributed to the people. I did not realize the hon. member for Okanagan Boundary (Mr. Whittaker) was such a socialist.

Mr. Whittaker: The hon. member has said that before, and he does not know what he is talking about.

Mr. Nystrom: Also I did not realize how sensitive the hon. member was.

I have a copy of the report entitled: "Grain and Rail in Western Canada", written by Mr. Hall, commonly known as the Hall report. At page 103 he made comments regarding what should happen to the railbeds once rail lines are abandoned. He indicated that the land should go to the provincial Crown, and that the provinces and municipalities should make a decision on what happens to the land. Referring to page 103, in part it reads as follows:

We propose to forestall controversy by providing that, upon abandonment, the roadbed—that part of the property abandoned represented by land—vest in the provincial Crown for disposition as may be mutually agreed to between the relevant province and municipal authorities.

Mr. Hall goes on to make a few more detailed comments as to why that decision should be made between the involved province and municipalities.

I should like to make a few comments on why railway lines should not be abandoned. Of course, I realize that some lines must be abandoned, but when one refers to the abandonment of lines, one should also talk about why some lines should not be abandoned. I see the hon. member for Okanagan Boundary agreeing with me. At the present time, this issue is a very big and controversial one on the prairies.

● (1730)

About two weeks ago the minister released a report from the Prairie Rail Action Committee which studied some 2,400 miles of rail line on the prairies. It recommended that about 60 per cent of those rail lines be abandoned.

I want to go back over a little bit of the history of rail line abandonment. I know the minister has said that upwards of 70 per cent of rail lines on the prairies are preserved in that they are in the basic network and will be upgraded. That is excellent, but I think a number of rail lines that have been abandoned in the past, and a number of rail lines the government now proposes to abandon, should not be abandoned.

The PRAC report refers to 2,400 miles of line of which 60 per cent should be abandoned. It is our position and the position of the wheat pools, and they are tremendously credible as they are the ones who built the elevators and deliver 70 per cent of the grain in the province of Saskatchewan, and nearly as much in Manitoba and Alberta, that most of these lines should not be abandoned but should be preserved and upgraded, to the benefit of the people who live in the area.

Let me point out to the House what it means to some of these communities to lose their rail line. First of all, the lines that PRAC studied are the lines that in respect of which Hall could not really make a decision. Hall looked at about 6,000 miles of rail line and said about 2,000 miles were utilized to the extent that they should be put immediately into the basic rail network. He said that an additional 2,000 miles of line were not being used enough, that there were too many inefficiencies and it would cost too much to upgrade them. He suggested that they were not worth-while and should be abandoned. Those rail lines have now been abandoned by the government. The bill before the House has no direct relevance to those lines as they have already been abandoned.

[Mr. Nystrom.]

Mr. Hall had a third category in respect of which he said further study was needed. He recommended the setting up of a prairie rail authority to study these lines and make recommendations to the government as to what should be done. Instead of that, the minister set up the Prairie Rail Action Committee which has advised him to get rid of 60 per cent of those lines in respect of which Mr. Hall could make no decision.

What we have said, and what has been said by the wheat pools and the province of Saskatchewan, and many other agriculturalists, is that 90 per cent of those lines should be preserved. We have suggested that they are used to haul a sufficient amount of grain to warrant their upgrading. We have said they serve a sufficient number of farmers and, in many cases, the towns rely on them, and that their removal would cause inconvenience for a lot of people. We have suggested that the farmers who haul grain to the elevators on these lines would be greatly inconvenienced if the lines were removed.

Let me point out four things it would mean to the people if the rail lines were abandoned. First of all, it would mean an extra haul to the farmers. Instead of having to haul for seven or eight miles it would mean a haul of 20, 30 or even more miles. Secondly, it would probably mean an increase in provincial and municipal taxes to upgrade the roads the farmers would be using to truck their grain instead of moving it by rail. It would also mean the speeding up of the demise of the small farm because it is only the operators of large farms who are economically able to truck the grain this extra distance.

The abandonment of a line would also mean the end of those towns on the line because the farmers are not going to go to those towns when they haul their grain to other towns. Since they haul the grain to other towns they will do their shopping there. If the farmers shop in those towns it is those towns which will prosper and grow. These other small towns will gradually diminish and die. We have had many studies which indicate that when a rail line is abandoned about half the businesses in the area eventually go. Many of the people who would normally retire and move to those towns will eventually move to other towns on an operating rail line because they want to retire in a place that is booming and growing.

Mr. Whittaker: Mr. Speaker, I rise on a point of order. The hon. member began his speech by accusing me of being a socialist. Let me say that I am not. The difference between that hon. member and myself, and he is a socialist, is that I spoke to the bill and he is speaking to everything else but the bill. I wonder if he should not now speak to the bill.

Mr. Deputy Speaker: Order, please. Before the hon. member responds to that point of order, let me say that I have been concerned about some of his remarks and his approach to the subject matter. While he is approaching the subject matter from another direction, I wonder if it is not now the time for him at least to make an effort to speak to the bill. There is an object in the bill which refers specifically to rail line abandonments. I know the hon. member has the right to disagree with that policy of abandonment and is trying to further his point of

view, but I am sure that hon. members would now be happy to hear him present his remarks in specific relation to the subject matter.

Mr. Nystrom: I take what you have said very seriously, Mr. Speaker. I was about to conclude by tying all this into the bill presented by the hon. member for Okanagan Boundary. I apologize for leaving the impression that he is a socialist. I know he is not. I just wanted to say I was happy to see that he does have some socialist ideas once in a while, such as those contained in the bill before us today. It is very gratifying to see a Conservative member with good ideas like this.

As I was saying, we think the government should adopt the Hall recommendations, and specifically that the land held by railroads in respect of which a rail line is to be abandoned should go to the provincial Crown, and that provincial and municipal governments should negotiate as to what happens finally to that land. We would be very remiss if one or two of us, during a debate of this kind, did not point out that instead of talking solely about what happens to the land after a rail line abandonment we should be considering the reasons for not abandoning the rail line in the first place. We should be giving reasons why 90 per cent of lines proposed for abandonment should be preserved. They should be preserved for the benefit of the farmers, the small businessmen and the towns along the lines, as well as for the people in those small towns; in short, for the the benefit of everyone who lives in the rural community. Our cities are getting too big and a lot of people would like to live in rural communities in a rural society. When we abandon the rail lines these rural communities no longer exist.

[*Translation*]

Mr. Speaker, I am very pleased that the Parliamentary Secretary to the Minister of Transport (Mr. Lapointe) is in the House. I hope he will participate in the debate and tell the House of Commons why the Minister of Transport (Mr. Lang) wants to abandon so many railway lines in western Canada—

Mr. Lapointe: It is not true. The Minister of Transport—

Mr. Nystrom: —and he also says that the Minister of Transport, in co-operation with the Department of Transport, will use the transportation policy as a tool to maintain national unity—

[*English*]

This is so in order that we create more equality in this country and make sure that things like freight rates do not operate as obstacles in places like the maritimes, the rural parts of Quebec, northern Ontario, the west, and places of that sort. When the hon. member makes his comments I think it would be relevant if he expanded on the bill a bit and talked about a national transportation policy as well.

Mr. Ralph E. Goodale (Assiniboia): Mr. Speaker, I have had the opportunity on other occasions to join with the hon. gentleman across the way who proposes this bill this afternoon in discussing the question of rail line abandonment and the disposition of railway rights of way following any abandonment procedure that might take place. I remember a day in the House of Commons just about a year ago when this subject was debated by my hon. friend from British Columbia and a number of others of us who are very interested in this matter. I am pleased that the hon. member has taken the initiative once again to bring this issue to the floor of the House, because it is a matter of importance.

Those of us who have spoken since he introduced the bill just happen to be western Canadians, all three of us from the prairie region. Hon. members will understand the interest and concern we have for this subject because of the important job that must be done and is now being done in western Canada to rebuild the grain handling and transportation system across the prairies and to export positions. It is a vital industry for our region and for Canada. There is not a more positive element in our national balance of trade figures than the figures relating to grain exports. Therefore the questions of how we can best take advantage of our grain exporting opportunities, develop markets, produce the grain to satisfy those markets, and then efficiently transport that grain to the markets, are important questions for all Canadians.

● (1740)

Once again I commend the hon. member for raising this issue in the House of Commons as he has done on other occasions, and I hope our discussion this afternoon will serve generally to bring matters up to date as to where we stand at the present time in this regard.

The bill proposes an amendment to the Railway Act which, on the surface, appears to be relatively straightforward. The proposal can even be considered to have some considerable merit, although the sincerity of the opposition in giving support to this bill must be questioned when one recalls that on December 19, 1977, a colleague of the hon. member for Okanagan Boundary (Mr. Whittaker) moved, under Standing Order 43, in the House:

> That the Minister of Transport notify western provincial governments that he is prepared to immediately negotiate with them and with the railroads to ensure that ownership of abandoned rail line rights of way be under provincial jurisdiction.

If I read the hon. member's bill accurately, I think he is proposing that if there is to be ownership by the Crown, it should be the Crown federal, not the Crown provincial. In the case of the Standing Order 43 motion which was raised on that other occasion—

Mr. Whittaker: Mr. Speaker, on a point of clarification, I can tell the hon. member that I clarified that matter in my speech. I am sorry that the hon. member was not present during my speech, but I will be pleased to send him a copy now before he continues in this vein.

I mentioned that the jurisdiction, federal or provincial, of Crown land ownership had been discussed in the constitution committee, and it had been determined that it could be owned by either entity. In this particular instance, the bill could be amended and the matter of jurisdiction discussed in commit-

tee. I have no hang-up on who owns the land, whether it be federal or provincial.

Mr. Goodale: I am glad to have that clarification, Mr. Speaker, but I am not sure that it totally disposes of the issue before us. The distinction between ownership by the provincial Crown or federal Crown in some instances is likely to be an important distinction, and if it is something that can be reasoned or rationalized away that easily, perhaps that would be an end to the issue, but I doubt that in the negotiations such a conflict could be resolved that easily.

To listen to some of the spokesmen for the provincial governments in western Canada after the publication of the Hall report, I had the impression that they held this issue very dearly and saw through their eyes that there would be for them some considerable problem if the ownership of these roadbeds were to revert to the Crown federal.

The federal government has taken what I think is an eminently reasonable position, that where a roadbed is eventually abandoned the ownership reverts automatically to the Crown federal but only for the purpose of facilitating the transfer of ownership to the party which should, in the final analysis, hold it permanently. In the case of the roadbeds in the prairie region, the federal government has no vested interest in being the permanent owner of those parcels of land. Rightfully, the ownership should be in the hands of the local municipality or the adjacent farm owner. I think this may be an important point of distinction on this issue raised by the hon. member for Okanagan Boundary.

The hon. member's motion, bearing in mind the region from which he comes, is more broadly based and does not simply focus upon the prairie region and the question of grain transportation. I recognize that his intention is to work a broader amendment into the law than that relating simply to grain lines on the prairies. Be that as it may, I think the most crucial and pressing issue in the country today relates to those rail lines in the prairie region, and that is why I think that the comments in this debate since the bill was introduced have focused specifically on the grain transportation question. The federal government recognizes that there is merit in federal Crown ownership of these rights of way, but only for the purpose, as I said before, of ensuring a smooth transfer of these lands to the logical owner who will derive the most benefit from them.

There are, of course, other considerations which must be taken into account with regard to this amendment. The Hall commission report recognized that municipalities affected by rail line abandonment would suffer through a loss in taxation. As a result, the government has made the decision that the disposition of abandoned rights of way on the prairies will be executed in such a fashion as to allow for compensation for that tax loss to accrue to the municipalities, in recognition of the fact that their revenues would be reduced by the loss of the taxes on the roadbeds.

To expedite the transfer of title to the ultimate owners, the Minister of Transport (Mr. Lang) early last fall signed an agreement under which Canadian National Railways and Canadian Pacific Railway will transfer to the federal government all roadbed property identified for abandonment in the prairie provinces. As the minister stated before the Standing Committee on Transport and Communications last year, this agreement was reached specifically to ensure that the land is transferred to the logical recipient as quickly as possible. There is no intent of retaining the land for the federal Crown, as I have said.

In order to facilitate the process of ownership transfer, and recognizing the need for municipal compensation, the Minister of Transport has established for each of the prairie provinces a rail roadbed steering committee which will determine the disposition of abandoned rights of way in each province. Meetings have already taken place with prairie farm and municipal groups.

I can think of three specific meetings which were concerned with this question and there have undoubtedly been other discussions about it. The rural municipal organizations and the Western Agricultural Conference, which represents most farm groups in western Canada, have given active support to this initiative by the federal government. The municipal associations have now been formally invited to participate in this consultative process, and the prairie governments have also been invited to lend their support to the plan even though, as I said a few moments ago, some of them were reluctant in the first place to get involved in the federal process because they drew a strong distinction between the merits of ownership on the part of the Crown federal and ownership on the part of the Crown provincial. If the interjection from my hon. friend from British Columbia is some indication that the provincial governments have got over their concern about this issue to a certain extent, then I welcome his remarks.

The procedure worked out by federal officials in consultation with western representatives calls for the establishment in each province of a rail roadbed steering committee. This committee will consist of two representatives selected by the rural municipal organization, one from the urban municipal group, one representing the general interests of farmers, one representing the Government of Canada, and one from the provincial government should they agree to participate. I am glad to note that the province of Saskatchewan has agreed to provide a representative, thus giving provincial support to the process. Hopefully the same sort of co-operation will be forthcoming from other prairie governments.

● (1750)

In each case the steering committee will consider all the interests that might be involved in the abandoned rights of way. Although the ultimate owners will primarily be the municipalities and the adjacent farmland owners, exceptions will be allowed. Each proposal will be considered on its own merits.

Again, we might identify a potential problem that could exist in the generalized approach put before us this afternoon by the hon. member who proposed the bill. It might not be

possible to adopt a general principle that would apply in each and every case of an abandonment or potential abandonment, in all regions of the country. Even in the case of the prairie region there are different interests expressing a desire ultimately to own the roadbeds that might be involved, and even in a rather homogeneous situation we see different viewpoints and interests being expressed. If there is that much diversity involved in what is a rather self-contained situation on the prairies, it is understandable that if the same principle were to be applied across the country, the numbers of disputes and competing interests would be rather remarkable indeed, and it might not be possible to adopt any legislation of general principle that would be workable. There will always be exceptions, competing interests, and a matter of judgment to be applied in each case as to where the ultimate ownership should fall.

The Department of Indian Affairs and Northern Development is also involved in the case of those rail lines that happen to pass through Indian lands. The department will have the right of first refusal for any land which passes through Indian reserves in those circumstances.

The steering committees in each province will consider legitimate uses proposed by the provinces, such as transportation and utility corridors, subject, of course, to the payment of appropriate compensation to the affected municipalities. With those two exceptions, the interests of the Department of Indian Affairs and Northern Development and the interests of the provincial governments, the general principle in the prairie region seems to be that the abandoned rights of way would be offered to the local municipality as a first priority and thereafter to the adjacent landholders who would pay for the land with the payment accruing not to the federal government but to the municipality as a form of compensation for their tax loss.

Earlier I mentioned that meetings of the roadbed steering committees have already been held. In keeping with the government's policy of ensuring that railway lines not required on the prairies revert quickly to those who can make most use of them, in most cases that means primary producers, the memberships of steering committees is oriented to small urban and rural municipality representation. I have already gone over the proposed representation for each of these committees. The membership covers a wide range of interests, and the individual representatives are involved actively in every day prairie life. It is hoped that these committees will be in a position to proceed quickly with the transfer of these lands. The procedure I have outlined is extremely flexible and adaptable to the specific conditions present when any particular rail line is proposed to be abandoned. This will ensure that these properties are disposed of in the most equitable fashion, bearing in mind all of the potential competing interests that might come to the fore.

While there is merit in the germ of the idea proposed by the hon. member from British Columbia this afternoon, I think that at least in relation to the prairie regions, events have rather overtaken the proposal. We have a procedure in place which is dealing with the situation effectively and which seems to have the general support of farm organizations and municipal organizations, and at least the province of Saskatchewan and, we hope, other provincial governments in western Canada.

Mr. Whittaker: Mr. Speaker, I wonder if the hon. member would permit a question.

Mr. Goodale: Yes, Mr. Speaker.

Mr. Whittaker: I should like to ask the hon. member what his proposal is for abandoned lines in urban areas.

Mr. Goodale: Mr. Speaker, the agreement is somewhat more complicated in the case of urban municipalities because of the competition of interests involved. I do not think I have time in the three minutes left before six o'clock to go into all the details of that. They are a matter of public record, however, and have been discussed on many occasions by the Minister of Transport, just as the provisions relating to rural municipalities have been discussed in many other forums.

To deal not only with the answer to this question but also with the one key defect that one could see in the bill proposed by the hon. member, the important point is that it is not easy to develop a single general rule that could be adopted as an amendment to the statute and that would apply in every case. I think there must be flexibility to deal with different circumstances. In the case of the rural situation one might think that the cases would be simple and that there would not be disputes. In fact there are competing interests that have to be reconciled.

To suggest it is possible to draft one amendment which would solve all the problems is rather unrealistic. I do not think it is possible to apply a general principle across the board. In saying that, I do not want to minimize what I think is some fundamental merit in the proposal made by the hon. member in terms of how we might begin the process, because in fact, we have begun in the prairies in just the way he has proposed. The significant point is that the process has gone far beyond that mere beginning.

[*Translation*]

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, as I have very little time to make my comments about this bill, I would like to take the few minutes at my disposal to point out the facts to my colleague, the hon. member for Yorkton-Melville (Mr. Nystrom) who suggested that the minister recommended the abandonment of railways. I would like to remind him that this was contained in the report submitted by the Prairie Rail Action Committee and that all recommendations concerning the abandonment of certain railway lines have been referred to the Canadian Transport Commission.

Since he has been a member of this House longer than I, he should be aware of the mechanism which exists in Canada. He should recognize that it is now up to the Canadian Transport

Commission to make a decision concerning the recommendations of the committee. He said that the abandonment of about 1,044 miles of railway had been recommended, but he forgot to mention that following the work of the Hall commission and the recommendations of the Prairie Rail Action Committee, more than 80 per cent of all railroads in the prairie provinces are now protected until the year 2,000, and he also forgot to mention that the Canadian government is now spending and will spend in the years to come more than $800 million to improve the railways so that they can accommodate larger hopper cars and boxcars to ensure the most efficient grain transportation network possible in Canada. I believe it is now six o'clock, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The hour reserved for consideration of private members' business having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADA REFERENDUM ACT

MEASURE TO PROVIDE FOR HOLDING OF REFERENDUMS ON CONSTITUTION

The House resumed consideration of the motion of Mr. Lalonde (for Mr. Reid) that Bill C-9, respecting public referendums in Canada on questions relating to the Constitution of Canada, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Deputy Speaker: The hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty), who was speaking at five o'clock.

Some hon. Members: Hear, hear!

Mr. Beatty: Mr. Speaker, I would like to thank my friends on the other side for their kind applause. I hope they will not greet the end of my remarks with the same enthusiasm as the beginning, but I hope hon. members will find my comments both informative and constructive.

Parliament is continuing its debate today on Bill C-9, a bill which the government says will give it a valuable tool for carrying on the fight in favour of national unity in Canada. This bill sets the ground rules whereby the federal government can hold a referendum on any question relating to Canada's constitution. The powers which the government is asking for are very broad. In the words of the bill itself, it would give the government the power to hold a referendum on:

> —any question relating to the Constitution of Canada or relating to or arising out of a proposed or possible change in the Constitution of Canada is of sufficient importance to warrant obtaining the opinion of electors on that question—

The referendum could be held in every part of Canada; it could be held in only one province or held in a combination of provinces. Deciding the scope of the referendum, the question to be asked in the referendum and the terms, would be left to the Government of Canada. Once the bill is passed, and it is certain to pass because the NDP have assured the government it will add its support to the government majority all the way down the line in passing this contentious piece of legislation, the government will have the power for five years to hold a vote on any constitutional question whatsoever that it chooses, once it has gone through the procedure of rushing a pro forma motion through this House of Commons. Just to obtain pro forma approval of the House of Commons, which would be gagged after 40 hours' debate on the motion, the bill provides that this government, which has demonstrated its callous disregard for parliament, will simply have to tolerate 40 hours of debate in the House of Commons before the debate comes to an end and it can ruthlessly use its majority to put aside any dissent.

That would be an enormous amount of power to give even to a good government which had proven that it knew how to use power wisely, but in the hands of this government which has ruthlessly undermined the role of parliament and implemented policies which have resulted in deep tears in our national fabric, this amount of power would be intolerable.

The Progressive Conservative party will vote against this bill. We know that in the end the support of the socialists will ensure that the bill will be passed. Fire is an element which can be an extremely useful device. In the hands of careful and responsible people, it can produce tremendous human benefits, great advantages for us all. However, in the hands of the irresponsible it can cause serious property damage. In much the same way public referenda can provide an important and valuable device in our political system. They can ensure a means by which our citizens can make important decisions about the laws under which they live.

My province of Ontario has long had a system of local option which allows residents of local communities to decide whether liquor will be served in public institutions in their community. That is an example of how referenda can be used effectively and for the public good in at least one of the jurisdictions in the country. They have been used well there for years.

Many people have asked that the federal government allow referenda on a broad range of topics in which there is considerable interest. The members of this party are not saying that there are no circumstances under which referenda can be justified, that there are no circumstances under which referen-

da would be useful for the Government of Canada. Indeed, several of our own members have proposed specific topics ranging from taxes on one hand to capital punishment on the other where they, as individuals, feel that a public vote would be desirable.

Just yesterday our leader indicated in debate on this bill that if the government had brought in a specific bill with a specific motion in it which could be approved by parliament, dealing with the question of national unity, and if it was clear that a referendum on that topic would be helpful in maintaining the unity of Canada, that sort of bill would have had our support. However, what we in this party are saying is that in a parliamentary system every attempt by a government to hold a referendum that would end up costing the taxpayers millions of dollars directly and indirectly before it was completed should be justified on its own merits.

No government has the right to ask parliament to approve broad legislation requiring only a rubber-stamp approval by the government majority in order to be used. In the hands of an incompetent or irresponsible government, this potentially valuable tool of a referendum could become very destructive indeed.

● (2010)

I ask the government members here tonight this question. If they feel that the voters might be asked a question whose importance is so self-evident that no more than 40 hours of debate would be required, why are they then not prepared to drop this bill and instead bring before parliament a specific bill authorizing a specific resolution or a specific question to be asked? Why did they come to parliament now to get virtual carte blanche for the next five years for whatever course of action they might choose to adopt?

Supporters of the government might argue that a crisis in confederation will develop over the course of the coming months that will make swift action urgent. If that is the case, as the government claimed it was the case when it suspended civil liberties in Canada seven years ago, what political party in this parliament would stand in the way of rapid approval when the time came?

Instead of indicating a respect for our parliamentary system of government, this administration asks us to give it the power now, and to entrust parliament's rights to the government's good will. That is not good enough. Let us take another look at the wording of the bill. It would allow the government to ask for a vote on "any question relating to the Government of Canada or relating to or arising out of a proposed or possible change in the Constitution of Canada" which the government would like to see voted upon.

We should look also at the definition in clause 2 where the scope is so broad as to include, and I quote:

> —without limiting the meaning of that expression,
>
> (a) the customs, conventions and enactments that comprise the Constitution of Canada, and
>
> (b) the political and judicial institutions and processes of Canada;

The wording of this bill is so broad in its scope that it would give this government virtually unlimited power to ask for a vote of the people on almost any issue it chose, because virtually no issue in Canada could be excluded from that if the government chose to define it in a way which was very broad. There is absolutely nothing in the wording of the bill which would restrict the government from asking about matters that fall exclusively under the jurisdiction of the provinces. Indeed, as recently as yesterday, a government member went on record as saying that is what he saw in this bill. I quote from page 2652 of *Hansard* when the hon. member for York East (Mr. Collenette) made this statement:

> As far as I am concerned, this bill provides for this parliament to determine when or where a referendum should take place, not only on matters of federal jurisdiction but on matters of provincial jurisdiction and concurrent jurisdictions and even in unassigned jurisdictions. That is the way I interpret Bill C-9, and I think the opposition should face up to it.

We do face up to it, Mr. Speaker. It is unfortunate that some members of the government have not been as candid as to the government's intentions when speaking about this bill. They talked about how narrowly it would be confined. The last member who spoke on behalf of the government talked about this referendum we have before us as if he knew what question would be asked. Parliament has not been told what the question is that will be put to the people. We have been given no guarantee that it would be used sparingly, this broad power which the government is seeking. In fact we have been warned of just the opposite by a Liberal member that the government could use this bill to invade areas of provincial jurisdiction.

This bill would empower the government to inflame further the bad feelings that exist between Ottawa and the provinces by invading areas where it has no right to be. Some members opposite were present in Toronto when the Prime Minister (Mr. Trudeau) spoke to a Liberal fund-raising dinner one week before Christmas. I read the transcript of the Prime Minister's comments at that dinner. I think it is worth considering part of them in the context of this bill. After a long recital of why he felt his government is indispensable, the Prime Minister turned to the question of resources. These were his words:

> You know, we're hearing the provinces say: Well, these resources are mine and the federal government shall have nothing to do with these resources. We don't say that. We say: The resources of any part of Canada belong to Canadians. And sure it means a little bit of hassle, a little bit of confrontation, but not a big one.

What is there in this bill that would prevent the Prime Minister if he wanted "a little hassle" with the oil-producing provinces and decided to hold a referendum on the question of whether the federal government or the provinces would control the reserves? It would be this government that decided to hold the vote in the first place. It would be this government that would decide what wording of the question would be most likely to obtain the preferred result. And it would be this government that would use its majority to authorize the vote only after 40 hours of debate in the House of Commons.

The leader of the NDP says that this bill is an essential tool for the unity of Canada. But what would he say to Allan Blakeney in Saskatchewan if the Prime Minister chose to pit

the consuming provinces of Canada against the producing provinces? It would be too late then to say that parliament should not have given the government such a broad grant of power.

● (2020)

Just last week the Task Force on National Unity brought down its report. It was clear from the hearings held by the commissioners that one of the major causes of disunity in this country has been the willingness of the federal government to invade areas of provincial jurisdiction. In the words of Premier Robarts at the time, the government forced medicare on the provincial government, to "change the constitution without amending it." This has been the practice of the Liberal government through successive changes in the cabinet.

The bill before us places no restrictions upon the ability of the government to ask any question related to the constitution, whether it deals with an area of federal jurisdiction or not. At the very least, the leader of the NDP could have asked that the government confine the bill to matters either exclusively, or at least partly, falling under federal jurisdiction, before offering his party's wholehearted consent. The unity of Canada requires that much at least as a pre-condition of support for a bill of this kind.

The constitutionality of this bill deserves more than just lip service. And by "constitutionality" I mean more than just the strict legality of the bill itself, because it is probably arguable that any jurisdiction in Canada has the right to poll its constituents on virtually any subject, whether it relates to an area falling under its jurisdiction or not. But surely good constitutional practice requires that the question whether the government is acting in an area in which it has the right to legislate should be considered when a bill of this kind is being brought forward. Otherwise, the whole concept of the distribution of powers in Canada between the federal and provincial governments is made meaningless.

The government attempts to justify the introduction of this bill on the basis that the announced intention of the Lévesque government to hold a referendum in Quebec on the question of sovereignty association, whatever that means, makes it necessary for the federal government to have the power to do the same thing. The question that Quebeckers will be asked will be loaded in favour of a positive vote for separation, according to the bill's defenders. And the federal government should have the ability to ask its own question of Quebeckers, or, as the Prime Minister speculated, of the people in the other nine provinces as well.

What surprises and disturbs me, if the future of Canada is to be decided by a succession of referendum battles, first held in the provinces, then held by the federal government, and again, perhaps, in the provinces, is that at no time in the debate on this measure have government speakers addressed themselves to the question whether "sovereignty association" can even be a topic for discussion between the two levels of government.

[Mr. Beatty.]

As my leader has said, if the government had brought in a specific bill to deal with the question of national unity, or specifically dealing with something related to the constitution, we would have been prepared to entertain it. We remain prepared to entertain a bill of that kind. But we are not prepared to grant carte blanche to the government for the taking of a tool which can be used to divide Canadians and to pit region against region. Mr. Speaker, if the federal government can ask a question on the subject of sovereignty association which has any legitimacy, then surely the government has also to accept that the break-up of Canada is a proper topic for debate. And if the federal referendum on Quebec's role in confederation is to have any legitimacy, the federal government must also accept that a provincial referendum on the same subject might have legitimacy too.

By even suggesting that Canada's future should be settled by a battle of referenda, the government gives up its right to say the separatists are unjustified in claiming that a provincial referendum can be the proper expression of the public will. Surely if the government intends to use this device in that way, it owes it to the Canadian people to address itself to that issue first, namely, whether or not the course of action it is proposing will in fact give assistance to the separatists by legitimizing the referendum route they are taking.

All that is left, Mr. Speaker, if we accept the legitimacy of a vote to break up Canada, is whether the question asked was fairly put and whether the results achieved are in our best interests. No one made this argument better than the leader of the New Democratic Party when he spoke in the bill's defence in December. Here are his words, as recorded on page 2044 of *Hansard*:

> No one can pretend that a referendum will be a permanent solution or the only solution. But if you do not believe in violence, if you do not believe in oppression, then surely the people have to be given the right to determine if the possibility of the survival of the country is at stake. That is why I, for one, agree in principle with the means of the Parti Québécois, which is a democratic means of establishing a referendum although I oppose that party with all the energy, intellectual, moral and physical, within the law that I can muster on their objective.

Listen again, Mr. Speaker, to the operative part of that paragraph. It is this:

> . . . then surely the people have to be given the right to decide if the possibility of the survival of the country is at stake. That is why I, for one, agree in principle with the means of the Parti Québécois, which is a democratic means of establishing a referendum . . .

Those were the words used by the leader of the NDP as he spoke in defence of his party's position on this bill. The leader of the NDP quarrels with the goals of the PQ which are to break up Canada, but he applauds the means they have chosen to do so. Nowhere does he question whether any government has the legitimacy to discuss the break-up of Canada itself, although the referendum would do that. And nowhere does he spell out what he would do.

Mr. Nystrom: Tell us about Crombie!

Mr. Beatty: I seem to have touched a nerve of my socialist friends tonight. And I do not blame them, because our position is crystal clear—

Some hon. Members: Oh, oh!

Mr. Beatty: Let them howl. Go ahead, howl. I will be reminding my Liberal friends shortly of something their leader said, too. Our position is clear. Our leader has said specifically that the survival of Canada is not a matter for negotiation. We will not negotiate. We will not discuss sovereignty association. We know now from the squeals of indignation from the NDP what their policy is. I want to ask the NDP and hon. members opposite what sort of a majority in a referendum, either federal or provincial, would be needed for this bill's proponents to wash their hands of Canada? Would the figure be 66⅔ per cent? Or would it be 60 per cent? Or would it be 51 per cent? The issue is reduced simply to one of numbers if you accept that the break-up of Canada is open for negotiation. This is the thesis which underlines the measure before us, and it is the thesis which underlies the speech given by the leader of the NDP.

An hon. Member: Wrong, wrong!

Mr. Beatty: Read *Hansard*. You will find it on page 2044 of *Hansard*. What other construction can be put on his words? As I said earlier, Mr. Speaker, my leader made the unqualified statement, which he repeated this week, that our party will not negotiate sovereignty association with the government of Quebec. Surely the people of Canada are entitled to the same assurance from the leader of the NDP and from the leader of the government opposite.

We heard a great noise coming from the government benches earlier. You could see they were uneasy. They had good cause, because they are probably as aware as we on this side of the House of the transcript of the talk between the Prime Minister and Mr. Bruce Phillips of CTV which was taped on Tuesday, December 20, 1977, and shown on CTV National Network on Sunday, January 1, 1978. Let me read the exchange. Perhaps Liberal members opposite will follow me and address themselves to the implications of what the Prime Minister was saying:

BRUCE PHILLIPS: But there isn't any real legal way to separate, is there, Prime Minister? It's not provided for in any law that I know about.

PIERRE TRUDEAU: No, it is not. That is why there cannot be any unilateral declaration of independence. But in the same way there was no law in Britain permitting any of its colonies to separate. When the reality of a colony no longer wanting to be part of the British Empire arrived, well, the Brits just passed a law. Now, you know, what I am saying basically is that if ever Quebeckers by an overwhelming majority decide they no longer want to be part of this country, then they're going to sit down and negotiate with the rest of the country how they can be kept in. What I say at this point is I will not make them change their mind by force of law. I do say that somebody will have to sit down and negotiate with them and it won't be me.

What was he saying? "Somebody will have to sit down with them and negotiate and it won't be me." It won't be the Minister of Justice (Mr. Lalonde) either, because if Quebec separates he is going with Quebec. He would choose it over Canada.

Mr. Speaker, the leaders of both the New Democratic Party and the Liberal party have a responsibility to the Canadian people to come clean with this House and to indicate on what terms they are prepared to talk about the break-up of Canada. That's the common thread which runs through those two quotations I read to the House.

Mr. Speaker, the crisis in our confederation today is grave but it is not unique. I tried to correct an hon. member opposite when he said earlier that this was the first time a provincial administration had attempted to destroy Canada. That's not so. Joseph Howe stood for office and won a strong mandate on a platform of pulling his province out of Canada. Some people argued then that Macdonald should support a policy of asking Nova Scotia to give the new country a fair trial for a year or two and then to make up its mind about what it wanted to do, but Macdonald's response was unequivocal, unlike the response of this government and that of the New Democratic Party. It was this:

● (2030)

That, it seems to me, would be giving up on the whole question. The ground upon which the Unionists must stand is that repeal is not even a matter of discussion. I hope that the Colonial Office will be firm in this matter. If the Duke of Buckingham says at once to Howe and his confreres that they have nothing to hope or expect from the British government, I think the matter will end there; but if he should be weak enough to say "You should give this system a fair trial for a year or two," the consequence will be that the professional agitators will keep up the agitation for a year or two and then will return to the Colonial Office and plead their own factious course and its success as an evidence of the persistent refusal of the people to be incorporated in the union.

Macdonald's response was blunt. Repeal, he said, was not a matter of discussion. I and hon. members on this side of the House do not deny that the nature of the threat posed to confederation by Joseph Howe was different from the nature of the threat posed today by René Lévesque, but Howe's challenge to our national survival was every bit as real as Lévesque's is today. The future of Canada as a nation was considerably less secure in 1868 and in the years immediately following confederation than it is today.

The courses of action which are open to this parliament today remain essentially the same as they were in Macdonald's day. We can either state without equivocation that Canada is indivisible, or we can decide to haggle over the terms. There is no third option.

Where we in this House should be turning our attention is to attacking the reason why growing numbers of Canadians throughout this country are giving up on Canada. We should be looking for ways of proving to them that we understand their concerns and problems, and that the federal government, instead of increasing the tensions between different parts of the country, will work to eliminate them.

In 11 years this government has taken a centennial spirit for this country's future and replaced it with bitterness between French and English, between producer and consumer, between government and the private sector, between the provinces and

Ottawa, and between east and west. As testimony at the hearings of the Task Force on National Unity demonstrated, virtually every measure, without exception, taken by the government in the name of national unity has further embittered Canadians over the course of the last 11 years. That is the legacy of 11 years of the Trudeau government.

What is worse is that the government has cynically used national divisions, which deepened as a result of its policy, for partisan ends. On virtually every platform—and we have seen it here in the course of debates in the House—from which a Liberal speaker talks, whether it be the Prime Minister or the lowliest Liberal backbencher, the issue of national unity is used in a pitch for votes, as we saw today.

Perhaps the most cynical version of this ploy is the claim that if Canadians decide that they are fed up with 11 years of arrogance and incompetence on the part of this government and vote to throw this government out, they will be spelling the end of Canada because Quebeckers will feel that the rest of Canada has somehow turned its back on them. We have all heard that claim by the Liberal party throughout Canada.

If it is true that in this bill, or in the unlamented constitutional proposals which died an early death last fall when even the government's supporters in the Senate turned on it, the government has armed itself with the weapons it needs to defeat the separatist challenge, then we must ask ourselves why all the other solutions to the problem that the government has presented over the past 11 years have failed.

To listen to the government talk about how it has discovered the key to national unity in Canada is to forget who was in power a little over two years ago when René Lévesque swept to office in Quebec. What has happened since that time to make the government's claims more credible, when less than a year before the election of the Parti Québécois the Prime Minister announced to Canadians that "separatism is dead in Quebec"? The legacy of this government's term in office is that our country is more divided today than it has ever been before in my lifetime, and yet the government continues to exploit our national divisions for partisan gain.

Let us turn for a minute to the question of whether a federal referendum throughout Canada following a PQ success in Quebec would truly promote national unity. First, it is unclear whether the government would feel bound by the results of a referendum it held any more than the Laurier government felt bound by the results of Canada's first referendum.

The explanatory package which accompanies this bill states that the government could choose to consider itself bound, but in leading off in this debate in December the Minister of Justice stated at least twice that the government could simply disregard the results of a vote if it disagreed with them. It is worth reminding hon. members of the remarks of the minister when he was questioned by one of my colleagues to the left.

MR. BREWIN: Would the minister tell the House whether in this bill—and I have read Bill C-9 through very carefully—there is any provision which provides, after the referendum has been completed, for any option to be taken? Or is it that the opinion secured by the referendum is purely advisory, and it would still be left to parliament and legislatures to exercise the same jurisdictions they now have?

MR. LALONDE: Mr. Speaker, the interpretation in the latter part of the hon. member's question is the proper one. The referenda under this bill will be purely consultative, and there is no action required by parliament or by any legislature following any particular result of any referendum.

The minister said later:

I reiterate that it is clearly a consultative process. There is nothing in the Constitution of Canada at the present time that could make the result of a referendum binding on the government, parliament or any particular legislature.

What the minister said was that this government is prepared to go ahead, hold a vote, spend millions of dollars of taxpayers' money, allow passions on both sides of an issue to be inflamed across Canada, see the results come in, and then—disregard them if the government chooses to do so. No other construction could be put on the minister's words. The government could say, "We appreciate hearing from you, but we did not like the answer you gave, so we are going to ignore it." That is what the government calls direct democracy. The hon. member for Westmount (Mr. Johnston) said essentially the same things in his remarks last Friday.

Let us imagine for a minute what would be the state of national unity in Canada if the government said it had found a constitutional issue which was so pressing that it should be put to the people in a nationwide vote and then, after millions of tax dollars had been spent and Canadians had expressed themselves on the issue, the government announced that the people had voted the wrong way and that the government would not support them. The vote would have been nothing more than a costly public opinion poll which wasted the time of the electorate.

Let us consider another possible scenario. The most recent Gallup poll on the question shows that support for Quebec's separation today is stronger in English Canada than it is in Quebec. Let us assume that the government decided to hold a national referendum designed to allow the rest of Canada to show Quebeckers that they were truly wanted. What would be the result if, in the middle of the campaign, an emotional issue such as the question of bilingual air traffic control were to crop up? What would happen if René Lévesque, intent on provoking a backlash in the rest of Canada which would permit him to claim that the country wanted to be rid of Quebec, were to introduce legislation in the Quebec National Assembly to strip away the rights of the English-speaking minority? Can the government say, in confidence, that English-speaking Canadians would be immune to that bait?

Finally, let me deal briefly with one of the assumptions in this bill which is supported both by the government and by the New Democratic Party, namely, that it is improper for the public to vote in referenda on non-constitutional issues but that questions related to the constitution lend themselves equally well to popular votes. Pointing out that a number of my party's members have called for a referendum on capital punishment but are opposed to this bill, the leader of the New Democratic Party said, "You can't have it both ways." What he did not explain is how he can have it both ways.

I say to the bill's supporters that unlike a referendum on such issues as capital punishment, abortion or taxation, which tend to cut evenly across demographic and geographic lines, the referenda which will be authorized by this bill would tend to divide Canadians along the lines of our deepest historic divisions. They will polarize Canadians on the basis of language and region.

I do not know how, in the name of national unity, the bill's supporters can say that they would refuse to allow Canadians to be heard on the questions which the polls show they would most like to have a vote about, but would encourage referenda to be held on the questions most likely to ignite bitterness between the language groups or between regions. It just does not make sense. This is the constant theme we have seen running through the arguments made by the government, that its goal is to let the people decide, to have democracy in Canada and to give the people a chance to be heard, but Gallup conducted a poll asking what issues Canadians would be most interested in having referenda on if they felt that referenda were justified. The results of this poll were released on Saturday, December 9, 1978. It found the following:

When Canadians, 18 years and over, were asked, in October, whether they would favour or oppose a referendum on capital punishment, 82 per cent replied affirmatively. In March of this year, when this question was first put to the Canadian electorate, exactly the same proportion favoured a referendum.

That is an issue which the government says—perhaps with justification—should not be put to a vote. I do not know; that is an issue for debate on another day.

● (2040)

The report continues as follows:

Questioned further on what other issues might best be settled by referenda, the majority could think of none—68 per cent. The most frequently mentioned issue was that of Quebec separation—12 per cent—

I hope the minister is listening to this. The issue of Quebec separation was followed by his bill. The report continues:

—followed by constitutional changes—3 per cent—

That is the public demand to which this minister is responding. What sort of mockery is it when the government creates a charade of pretending to be in favour of public input and participation, but it says that that participation can be only on issues about which it wants to hear from the public, and not on the ones about which the public wants to talk to the government? What sort of hypocrisy is it when the government comes before parliament with this type of bill and says that it will authorize votes in areas where there is not strong public demand, and denies Canadians the right to be heard on other issues about which they are concerned? What sort of hypocrisy is it when the government then says that, even if there is a vote, it may well choose to ignore Canadians afterwards? How will the government explain that after the vote has taken place?

There has been a constant thread running through the debate concerning the role of referenda in a parliamentary democracy. The hon. member for York East stated his views on it in the House yesterday. He felt that many of the British institutions embedded in our constitution were not sufficiently modern or up to date to serve present needs. He indicated that they had to be brought up to date, and that perhaps the various traditional ways in which we have operated in Canada just are not operating properly any more. The hon. member said that the entire British concept of a parliamentary sovereignty is a matter about which we should ask questions. It is worth taking a look at the hon. member's particular comments. As reported at page 2650 of *Hansard*, the hon. member said the following:

The classic "responsible government" approach is becoming tougher to defend in twentieth century society, not only in Canada but also in Great Britain. Those who are quick to bark on the other side should look at what is happening on the other side of the pond in relation to what is happening to responsible government, aside from all their labour troubles. They should pay attention to what is happening in a constitutional sense in Great Britain, the mother of parliamentary democracy.

The hon. member continued his speech by indicating that he strongly supported the bill, and that he felt it would be an advance for our system of democracy in Canada. As reported at page 2651, the hon. member said the following:

The Tories say "no" for consulting the people by means of a referendum; or if you want to use another phrase, by direct democracy.

This was the theme of his speech. I think it would be useful to go back to the last time when parliament was torn apart by a debate on the role of referenda in Canada. It would be useful to look at what the authorities had to say at that time about their role in relation to the parliamentary system. I found one government member who said the following:

The popular view in my constituency and the Toronto area in general is to put the question of capital punishment to a national referendum. This would certainly mean rule by the people in the literal sense; but the passions of the people run high. For me, the spectre of the disorder on the streets of Paris in 1792-94 develops in the scenario of a nation governed by referenda.

Countries that revert to putting questions to referenda often find that more problems are created than are solved. The Canadian referendum of 1944 on the conscription issue intensified racial and regional opinion and created tremendous difficulties, difficulties which were only spared the government by the conclusion of the war. The same analogy may be drawn with the 1975 United Kingdom referendum on the European Common Market, and the recent Italian referenda on divorce and abortion. Indeed, Mr. Speaker, it could be argued that the results of the recent Italian referenda have helped to destroy the unity of the Christian Democratic party and precipitated the present political instability in Italy.

Like the hon. member for Greenwood (Mr. Brewin) I will take my chances with the theory of representation as clearly enunciated by Mr. Edmund Burke, and followed by many politicians in this House and the British House over the past 200 years.

Who was it who said that less than two years ago? It was the same hon. member for York East who spoke yesterday.

Some hon. Members: Hear, hear!

Mr. Beatty: It was the same hon. member who said yesterday that direct democracy, popular sovereignty, and the system of government which has worked in Britain for so many years, no longer were effective and should be revised. I should like hon. members opposite to direct themselves to that question. What would be their policy? How do they feel? What role do they feel a referendum must play? How do they justify their flip-flopping on this particular issue which is of concern to Canadians?

After the 1974 election my party engaged in a series of debates concerning the nature of the policies and principles the Conservative party would follow. At that time I argued that we should encourage a sharper definition of the philosophical principles in which we believe. But my former leader, the hon. member for Halifax (Mr. Stanfield), stressed the responsibility of any national party in Canada to act as a conciliator among the disparate groups in our nation. He argued that our most important function is to bind Canadians together whenever the centrifugal forces in our society threaten to tear the country apart. The events of the past few years have proven how truly right he was. Clearly the time has come when every national party should commit itself to solving our disagreements, not by pitting group against group, Canadian against Canadian, but through good will and Canadian compromise.

This bill would take away a vast slice of power from the Parliament of Canada and give it to cabinet. It can serve only to deepen our national division. It will not have my support.

Some hon. Members: Hear, hear!

Mr. Bob Rae (Broadview): Mr. Speaker, I should like to start by saying that no party in the House, and no member of parliament, has a monopoly on the question of national unity. Also, I want to say that no party, and no member of the House, has a monopoly on love for the country and faith in the future of Canada.

Some hon. Members: Hear, hear!

Mr. Rae: It is important to remember that Canada is bigger than each one of us. It is bigger than the Liberal party, though the Liberal party frequently forgets that, and it is bigger than this parliament. I, for one, have no doubt that regardless of the outcome of the next election, Canada will remain united.

Some hon. Members: Hear, hear!

Mr. Rae: It would be a disaster for the country if the Liberal party were allowed to say that one's opposition or one's being in favour of this bill meant that one was any more or less a Canadian. Quite frankly, I am tired of listening to members on both sides of the House saying, "I am a better Canadian than you are because I have been somewhere you have not been, or I have fought somewhere you have not fought." We should be well beyond that kind of argument and feeling in this House. It was Adlai Stevenson who said that partriotism of that kind is the last refuge of scoundrels.

The unfortunate tragedy and political difficulty facing the country today is threefold. First, neither the New Democratic Party nor the Conservative party have an effective electoral presence in the province of Quebec. It is an obvious fact, but frequently we are too embarrassed to state it. I state it frankly, but not with any great pride. Our country and the province of Quebec would be politically much healthier and saner if there were a federal opposition presence in that province. Another sad fact is that the Liberal party has no federal presence in western Canada and a declining federal presence in the province of Ontario. That is a tragedy for the country as well. The third great tragedy is that in November, 1976, the only means by which the people of Quebec could express their fatigue and dislike of the corruption of the Liberal government in that province was to vote for the Parti Québécois.

• (2050)

I can assure you, Mr. Speaker, that I speak for myself, and I am sure for many members of this party, when I say I approach the question of referendums with no great enthusiasm. If this were a normal time in the course of our history, and we were not faced with a constitutional crisis, I would have neither truck nor trade with referendums, and I am sure nobody in our party would either. I will say quite clearly why. I think the drawbacks of referendums in general have been described well, if a little unfairly, by my colleague, the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty). They were described yesterday in the speech by the Leader of the Official Opposition (Mr. Clark). They were described in the speech by my friend, the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn), and they were described in the speech by the hon. member for Kingston and the Islands (Miss MacDonald).

An hon. Member: And what about your leader?

Mr. Rae: I am coming to that. They were also described in the speech by the leader of my party. I think it is worth bearing that in mind. The disadvantages are quite simply these. In my view the greatest protection and the greatest presence the people can have in a democracy are the election of members through a strong party system, members of conscience who are prepared to take their position on matters of conscience to the people as individuals, and decide on matters of party politics as members of a political party, to be elected or defeated on those decisions. Neither election nor defeat is a disaster, and it is not the worst thing in the world to be defeated. There are worse things than being defeated at an election, and I hope members opposite will remember that whenever the Prime Minister (Mr. Trudeau) decides to pull the plug; it is worse to lose one's self respect.

It is a function of a member of parliament to reflect, to consider, to weigh, to debate in caucus and to rely on party judgment, his own judgment and on the opinions of his constituents, and then make up his mind accordingly. As I say, in a normal constitutional time that would be the course I would adopt, and I am sure it would be the course that would be adopted by members of this party. However, there is one fly in the ointment. From speeches by Conservative party members yesterday, today, Friday and before that in December, it does not appear that they have recognized that fly in the ointment.

The fact is that in November of 1976, for the reasons I have described and not because the people of Quebec in 1976 were voting for separatism, a party which is committed to the breaking up of the Canadian federation was elected to form a government. We can talk until doomsday about whether the Liberal party opposite was responsible in some way for that election result. I have said already that I certainly think the

state of the provincial Liberal party was to blame, and it must take some of the responsibilities.

An hon. Member: Why?

Mr. Rae: The fact remains that there has been an election in Quebec that has had a dramatic effect on the constitutional situation in this country. The impact, the desires and the aims of the Premier of Quebec have never been sufficiently understood, appreciated, and realized by the Conservative party. If members of that party had realized them, I do not think they would have been able to take the position they have taken in respect of the bill which is before us at the present time. Nor would they have been able to say the things that many of their leading members have said about Mr. Lévesque and his real aims and desires, and the desires and aims of his party.

Let me say to the hon. member for Rosedale (Mr. Crombie) that I saw the CTV interview program, as I am sure many people did. I am not challenging for a moment the hon. member's love for Canada or his faith in Canada. That would be absurd. I have known him too long and too well for that. However, I think he has made a fundamental mistake in his assessment of the aims of Mr. Lévesque, and a fundamental mistake in looking at the national unity question in this country. That is a question of judgment. To say simply that Mr. Lévesque wants a settlement with honour is a mistake, as it would be a mistake to say that it would be more difficult to negotiate with Mr. Ryan, the leader of the Liberal party in Quebec who is, whatever else, a federalist, than with Mr. Lévesque. To talk about the two as if you were talking about the same game betrays an ignorance about the state of the country that is profound.

I think we are entitled to ask the same question about the Leader of the Opposition. That hon. gentleman has stated very often that he is prepared to be flexible, to negotiate, and to talk. He has said most of our constitutional problems have been created by the arrogant attitude of the federal government, and we must have discussion and words; we have to reason together and we must adopt the model of the Kingston conference, where they had five Tory premiers together in Kingston, for the protection of the confederation and for the purpose of discussions with Mr. Lévesque. That is his serious assumption of the threat that is presented by Mr. Lévesque.

I am not suggesting that national unity and leadership are the only issues facing us, but I am saying that the people of Canada will be asking themselves if this is the leader they want to have negotiate with that very tough set of cookies in the province of Quebec, particularly if that is the assumption he makes of Mr. Lévesque's intentions.

I did not create that issue, Mr. Speaker. The Government of Canada did not create that issue. The Liberal party did not create that issue, although I understand it is going to make it an issue. I am afraid the Leader of the Opposition has made it an issue by his attitude.

The second thing which changes my mind about referendums is not solely related to the province of Quebec, and not solely related to Mr. Lévesque and the election of the Parti Québécois. The second thing is the fact that we are now embarked at last, thank goodness—out of a sense of crisis but also, I hope, from a sense of common purpose and achievement—on a path of constitutional reform. We are looking at a very different set of institutions and relationships between the federal and provincial governments, and between the House of Commons and whatever second chamber we decide to create. All of these changes will take place within the tradition of common law and loyalty to the monarchy, which are not in question. It would be absurd to suggest they are in question. Nevertheless, there are some very real institutional changes that will be going on, and I think this is a very healthy thing.

● (2100)

We have a Senate which I have called in the past "the indoor relief department of the Liberal party." It performs no real constructive or useful function in the federal system. It does not do the job which a second chamber could really perform in a federal system, and it is ridiculous that we have been so long in reforming that institution. We have a House of Commons which, as I suggested in my earlier remarks, has a party system that at the moment does not reflect the reality of representation in Canada. It is not true to say that there are no New Democrats or Conservatives in Quebec, because there are. It is not true that there are no Liberals in Alberta, because there are. There is no reason why—and I say this as a member of a parliamentary party which has been consistently under-represented in this House since it was founded over 40 years ago, not in terms of talent but certainly in terms of numbers—we are not entitled to look at the possibility of a reformed electoral system as well as a reformed second chamber. Even in such an instance there is still the question of division of powers. It is a difficult and exciting question and has been raised once again with the Pepin-Robarts commission report on national unity.

I must say in answer to some of the comments made by the hon. member for Kingston and the Islands and the hon. member for Wellington-Grey-Dufferin-Waterloo that I do not believe that all of the wisdom in Canada rests with the provincial governments. I do not believe that when Premier Lougheed and Premier Davis get together and come up with an idea, that that is all there is to be said about the future of Canada. I believe that Canada is a bigger, better, and greater place then all of its parts put together, and that is the function of the federal government.

Some hon. Members: Hear, hear!

Mr. Rae: The hon. member for Wellington-Grey-Dufferin-Waterloo mentioned medical care. If we waited for the provincial governments in this country to provide medical care, we would still be paying through the nose for hospital care and for seeing a doctor. If it had been left to the provincial leaders such as the Duplessis's or George Drews of this country, we would not have had unemployment insurance for years and years.

I do not believe that all the wisdom in the world lies with the federal government. I think there has been much arrogance, and in some instances a systematic abuse of power, on the Liberal side of the House. I think that there is a great deal of ignorance about the views of the average working person in English Canada on the Liberal side of the House. But I do not think we should allow 15 years of arrogance on one side to turn into 15 years of paranoia on the other, and I honestly think that in some of the criticisms made of the bill by the Conservative party there is an element of paranoia which does not face up to what is in the bill or to the crisis facing the country.

I have said that there are two things which changed my mind about a constitutional referendum—the election of the Parti Québécois and the fact that we are engaged in an exciting and dynamic period of constitutional reform. This means that we must, within the tradition of the common law and the monarchy, look at new institutions, and look at them in a way which will engage the attention, support, and consensus of all Canadian people from Newfoundland to British Columbia and to the Yukon. This cannot be done simply through a series of conferences between the premiers and federal government officers.

I tried to get into the federal-provincial conference held in Ottawa in October, just after I was elected. I could not even get in, and I am a member of parliament. The man on the street in Broadview, walking down the Danforth does not know a thing about the Canadian constitution, but one thing he does know is that before he is from Broadview, Toronto, or Ontario, he is from Canada. We are in the process, and we may not even know or realize it—and some of us are so far behind the times we do not recognize it—of creating a new nationalism and a new nationality.

I had the occasion last week to attend, with the hon. member for Rosedale, a meeting of the multicultural leaders in Toronto. I was a delegate as he was. I believe it was organized by the Conservative party because I was the only NDPer there, along with a Liberal. The outstanding thing about that conference was that these people, wherever they came from—and we all came from somewhere—

Some hon. Members: Hear, hear!

Mr. Rae: Do you think that Stanley was born spontaneously? Apart from Stanley, we all come from somewhere.

An hon. Member: Order.

Mr. Rae: The commitment which we all had at that conference and the admission was that we did not want to be known as Greek, Italian, Barbadian, Anglo, Irish or anything else, but as Canadians. These leaders were looking to the federal government for a new constitution that would protect their multiculturalism and social rights, and some of them even wanted us to protect their linguistic rights. The point is that they did not want to go to Bill Davis, Peter Lougheed or the provincial governments for the protection of their new sense of nationality, citizenship or pride in Canada; they were looking to the federal government for it. For any party to ignore that sense of nationalism and not see that nationalism as a tremendous source of strength which needs to be mobilized toward a new consensus, is to be blind to the future of the country, and is simply looking at old patterns and old divisions.

I would like to look now at some of the criticisms which have been made against this bill. The hon. member for Kingston and the Islands has said that the government was spreading disunity, that instead of fighting fire with fire it was fighting fire with gasoline, that it was a blatant attempt to subvert and undermine the responsibilities of the Canadian system of responsible government. She said that it was a complete departure from parliamentary practice, and that the scope of the legislation was so broad, so large, and so wide that it presented a threat to the civil liberties of every Canadian. She also said that it amounted to a complete departure from the freedoms which we have valued in the common law for centuries.

In looking at this bill realistically, I do not see those dangers there. There are problems in the bill and I have severe reservations about certain aspects of it, but the principle of saying to the federal government that there is no right in a federal parliament to hold a referendum on the constitutional future of Canada, at a time when we are faced with a constitutional referendum in the province of Quebec and when people are crying out for constitutional change because they want to be proud members of a new country, is simply nonsense and, furthermore, political suicide in the province of Quebec. I do not come from the province of Quebec, but the one thing which has impressed me is that every single member from Quebec, with the exception of the hon. member for Brome-Missisquoi (Mr. Grafftey), has spoken in favour of this bill. They have said, "Please give us this bill; do not leave us in the hands of a provincial government which is determined to load the dice and stack the decks," to use the words of the hon. member for Kingston and the Islands.

● (2110)

I think it is worth remembering that there are interests in the province of Quebec which may need to be protected by the means we are giving the federal government and the federal parliament at this time. I put it as tentatively as that. I am not an enthusiast on the subject of referenda, and I have indicated my reasons. If these were normal times I would not be in favour of a referendum. The question raised is whether, when we know there is a government in Quebec which is soliciting political support with every means at hand, we want to say to the federal government, "You have no means; you cannot do it; we are not going to let you do it."

The hon. member for Wellington-Grey-Dufferin-Waterloo asked why we do not come here with a specific question. Mr. Speaker, if I were playing poker with René Lévesque I would not want to put my money behind the hon. member for Wellington-Grey-Dufferin-Waterloo—I can tell you that! He would walk in and say, "Here are my cards; what have you got?" That is not the way the game is played; this is a tough

game, and we do not know what the question put by René Lévesque will be.

Already reporters are asking what we are going to do if René Lévesque wins the referendum, and if we are going to negotiate with him. I reply that I am not going to answer that question. I am not going to deal with the question. Do those reporters ask René Lévesque what he is going to do if he loses the referendum—if he is going to negotiate with the federal government? Of course they do not. They know he is a serious politician. I would ask that the federal government be as serious in the defence of federalism as he is in the pursuit of independence.

The Leader of the Opposition paraded all the horrors—that we could have a referendum on any subject—that it would change the Constitution of Canada—that it would change the law of Canada—would threaten the Indian minorities, the Inuit and the blacks—all the minorities and every group. That is what I call parading the horrors. It is an example of exaggerated fantasy as a result of a kind of paranoiac thinking which comes from being in opposition so long.

The fact of the matter is that there is one minority in Canada now which is seriously under threat. I am sorry to say that happens to be the English language and the immigrant minorities in the province of Quebec. That is the reality. It is not the fantasy. It is not the fantasy of looking at all the things the Liberals could do if they went collectively bonkers and if the opposition went home for five weeks and the Canadian people took leave of their senses. The reality we are looking at is what is going on in Quebec today. That is the crisis; that is the difficulty; that is the situation we have to meet. I say that we are entitled to ask that the official opposition be as serious, as tough-minded, as clever, and have as great a sense of the whole of the country as we ask of the government when we criticize them for being so inadequate.

Where did Roncarelli come when his liquor licence was cut off by Maurice Duplessis? He came to the Supreme Court of Canada, and won his case because he had federal rights and was able to come to the federal government to have them protected. Where did the people who suffered under the padlock law in Quebec come when they could not go to the provincial government—when these tremendous provinces had the Duplessis's, the George Drews, these great protectors of civil liberties—where did they come? To the Supreme Court of Canada.

The fact is that when minorities are under threat we should look at the reality of the situation and at what is really happening. Let us deal with the crisis that is facing Canada now, not some fictitious crisis the opposition is creating because of its generalized fear that the government is going to make national unity an election issue. That is what we are facing at the present time. I think the concerns of the opposition can really be met by looking at what this legislation does, and I will express my criticisms of the legislation as I consider this point.

First of all, the referendum question provided under this bill has to deal with the constitution. It cannot deal with every subject under the sun, as the Leader of the Opposition said yesterday. It has to deal with the constitution and that is what this debate is about—the Constitution of Canada—constitutional reform. That is what Pepin-Robarts is all about; that is what René Lévesque is all about; that is the subject of today's discussion. The question has to be limited to that.

This matter is going to be debated in this House. I think the 40-hour limit is ridiculous, although it is more extensive than it looks at first blush. It is about three weeks of debate. I think the limit should be taken away to satisfy our concerns on this side of the House that the matter is going to be thoroughly debated.

The question would be put to the people; it would be discussed and debated. There is protection in terms of all political parties and registered groups having access to the CRTC rules and so on. It is much more liberal and free than the position that has been put forward by the Parti Québécois in the province of Quebec.

The answer to the question or set of questions would be consultative. People keep asking, "What if he asks a question about Indian rights?" The answer is simple. What happens? Nothing. There is the Supreme Court, the BNA Act, the constitution, the common law—those things will not suddenly be dissolved by the holding of a referendum. This bill does not provide for that and it is absurd to suggest that it does. It shows a fundamental misunderstanding of the realities of political life. It would not lead to a unilateral change and it cannot, because of the nature of our political system.

If the government were foolish enough to hold a referendum in the province of Saskatchewan on the question of natural resources, the results would be disastrous for it. They would lose their referendum. We would clobber them, Mr. Speaker. I have a little more faith in the common sense and intelligence of the Canadian people than some members to my right seem to have. I do not think the Liberals are able to brainwash completely and dominate the people of Canada or Quebec so that the people would not give a reasonably intelligent answer to a reasonably intelligent question on the matter of the constitution.

I should like to end my remarks with a quotation from "Essays on the Constitution" by Frank R. Scott. At page 372 he wrote:

> A combination of forces—military, political, and economic—made it possible to find a common ground for the original constitution one hundred years ago. We seem to be at the stage that Canadians had reached just before the BNA Act was adopted.

He commented that we must not think we can be exempt in Canada from the creative force of nationalism in our own country. Then he went on to say:

> Nehru once said that there is a good form of nationalism, and a bad form of nationalism; the good form is that inherent desire in man to live in a society that enables him to express himself to the fullest; the bad form is the rigid application of racist doctrines that can lead to disaster. Both the good and the bad forms of nationalism are usually to be found simultaneously in any nationalist movement, and the question is, which one will prevail? The answer to that depends on many factors—

He further commented:

A frustrated nationalism turns to primitive weapons, just as a frustrated individual may seek release in a primitive nationalism. On the other hand, a strong sense of national identity can be a protection against the crushing conformity toward which technology is constantly driving us.

It seems to me that is the heart of the issue—Whether we are intent in Canada, including Quebec, in creating a new national identity with new national, economic and social institutions that deal proudly and effectively with the problems that face all Canadians, or whether we are prepared to be locked in, hindered by the mind-set and institutions that have in some way blocked the aspirations of the people of Quebec and also the aspirations of a great many other Canadians as well, those for example, in Toronto, in Newfoundland, in the Northwest Territories, in the west, in fact everywhere.

● (2120)

I think that a referendum, while not critical or most important, is a useful mechanism, a useful device in the mobilization of that political consensus. It is not a tool that I am particularly fond of in general political terms, but in the specific political situation that we are faced with today, in the crisis of Quebec and in the crisis of confederation which we face, it could be a vital tool in seeing that federalism is presented fairly, fully, generously, and with the decency and dignity we all want to see it presented in the province of Quebec. I have no faith that the Liberals will do it on their own. As I said before, I have no doubt that if this government, and when this government, is thrown out, there will be other parties to take their place that will be able to govern Canada. Canada is bigger and stronger than the Liberal party. If there are other parties that take this government's place, I want to see a referendum as a mechanism in their armoury as well. It is not a partisan political thing. It is not something to do with the survival of the Liberal party, but obviously that is an aspect of every piece of legislation that comes in here.

Sometimes we have to step back from our narrow armies that we come from and ask ourselves, "What is the crisis of Canada", "what is the crisis of confederation", and what are the mechanisms and the political means that we can use to create something different, something new and something exciting? I say two cheers for referendums. It is not the best mechanism nor is it the only mechanism. But it is not a threat to our liberties, it is not a threat to this institution if it is only consultative. It is not a threat to ourselves if we have the confidence, the ability and the strength to use it in the best interests of people of Canada.

Some hon. Members: Hear, hear!

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my remarks will be briefer than those of some of the previous speakers who indulged in a lot of verbosity, but I will endeavour to be frank and sincere, and I hope that I will not duplicate any remarks that have already been made.

Bill C-9 which we are debating this evening says that it might be cited as the Canada Referendum Act. It is entitled "An act respecting Public Referendums in Canada on questions relating to the Constitution of Canada." Quite frankly, I have nothing against plebiscites and referendums or going to the public generally under certain circumstances. I am sure that many members of parliament and other Canadians will agree with me on this. Despite the proposals that have been presented to us within the last 12 months by the government on constitutional reform, and also despite the existing situation in Quebec, one must look at this bill for what it is or is not and for what it is worth.

I understand that in some countries in the Commonwealth, referendums are held with respect to the adoption of amendments to their constitutions or on constitutional problems or questions. However, it should be pointed out that such referendums are held after full debates on the specific questions are conducted in the legislatures or parliaments concerned. Plebiscites are held sombrely and soberly on the questions concerned. Amendments of constitutions then become subject to the approval of the electorate. This is done after unlimited debates in the parliaments or legislatures on the specific questions which are to be put to the people.

Bill C-9 proposes just the opposite. It is a piece of legislation which would allow a campaign, similar to an election campaign, and even the implications of the Canada Elections Act of this country, which result in a great deal of expense to the ordinary Canadian through taxes, tax exemptions and income tax. This bill would put political parties and politicians to work to create greater adversity and hatred over what should be a serious, fundamental and sombre constitutional matter. To make things even more ridiculous, the results of a referendum under Bill C-9 would not even be conclusive or binding upon parliament or the electorate. Bill C-9 is unfair and undemocratic because of its numerous provisions permitting the implementation of regulations by orders in council. This is a dictatorial and improper procedure.

When we are dealing with people's rights at the constitutional level we should not permit the cabinet or a deputy minister, who turns out to be some bureaucrat, to issue orders in council or regulations. That is what parliament is supposed to be all about. We should be here to halt and restrain the issuance of decrees, edicts and regulations. In view of the fact that constitutional questions are basic and fundamental problems, fundamental to the rights and privileges of each and every Canadian, a bill which proposes the matters implied in this bill—and there are several—must not provide for orders in council or regulations.

When the bill comes before us for approval or disapproval, it should contain a specific question. It should contain those matters which are to be changed in the constitution, or any amendment. It must set out the full details of a proposed question or constitutional amendement. For example, if Canada wants to adopt the constitutional amendment act which was presented last spring by the Prime Minister (Mr. Trudeau), then such a bill should be presented first for unlimited debate, but every clause in that bill should be presented. If there is a question to be referred to the people, then that

question should be so stated in the bill. It should be presented to the people after an unlimited debate has taken place in this forum. Certainly it should not be held at the time of an election.

Furthermore, on any question in a debate of this kind there must be—and this should be pointed out clearly—no guillotine or closure procedures. Specifically, constitutional questions and amendments in any event must be debated without limitation in the House. To be effective they should be presented to the people for approval. If they are not approved by the people, then the statute or question would not become effective.

If the government continues to follow what in the past has been its usual arrogant and ill-conceived procedures, then this bill would prove to be yet another weapon or instrument of separation and division in the country. I am reminded of such items as the B and B Commission report, the Official Languages Act, its improper and costly implementation, and the national task force on Canadian unity report. The list goes on and on. All these items should have been or should be shelved. Referendum, hatred, division, separation, an aura of suspicion and infection are arising from the government benches. It is to be regretted that this has been orchestrated in the emotionalism and steam already prevalent through political motivation.

● (2130)

One need only read the legislation to see that, like a number of other bills presented in past years, it is a horrid piece of legislation. If such a bill were to be presented it should have been presented long ago, certainly long before November, 1976.

Implementation of this bill is likely to be the last straw for Canadians. It is likely to break the Canadian back. It is certainly an example of the government's lack of confidence and faith in Canada and its people. It is also an example of the government's knowledge of the people's lack of confidence and faith in this government.

It is my sincere hope and prayer that the government will review this legislation again, review it carefully, and withdraw it at this time. Quite frankly, I have glad hopes in the future of Canada. I only hope and pray that governments and politicians will refrain from pouring their distasteful and far too potent and volatile fuels upon an already fragile situation.

Surely this government should know what happens when the wrong paths are taken, and many they have taken. Look at the economic and unemployment situation caused in large part by the many errors in judgment of this government, errors resulting in government waste, and errors in government spending caused by government instability.

It may not have been intentional, but throughout this debate there have been references to René Lévesque. Frankly, I do not see this as a positive way of achieving national unity. It is undoubtedly putting Canada and parliament on the defensive. This is very poor strategy. Let us get back to economic issues and sensible issues, issues that will help put bread and butter on the table of the ordinary citizen.

My plea to this government is to withdraw this bill immediately before this country is completely destroyed by an instrument of destruction. We do not need another instrument of destruction such as Bill C-9.

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I shall be very brief, for I feel this debate has lasted long enough already. Apparently only Progressive Conservative party members are against the adoption of this bill, and considering that this problem must be settled as soon as possible, I suggest that we ought to reduce as much as possible the length of each speech. Mr. Speaker, first of all I should like to refute some of the accusations members of the official opposition have made throughout this debate, and object to their actions and remarks.

During the year and a half I have been sitting in the House and during the election campaign when I was chosen as elected member for the Louis-Hébert riding, I have come to realize that official opposition members, ever since the appointment of their new leader, have been willing to accept any compromise, alliance and intellectual dishonesty to oppose the government and gain votes in Quebec.

Mr. Speaker, I am not alone in noting the many differences between their position in Quebec and their position elsewhere. All editorial writers and reporters seem to be saying that the official opposition has two languages, one for Quebec and one for the other provinces. I would like to give two examples of this. The first is quite brief and concerns the campaign for the by-election of last year when I was elected to the House of Commons and when the Progressive Conservative party was using a very well-known slogan in the province of Quebec: Yes to the Progressive Conservative party. They showed how naive they are, Mr. Speaker, for not knowing that in 1970, the Parti Québécois used the same slogan, that is, "Yes to the Parti Québécois" and that it will use "Yes to the referendum" for the referendum.

It is not a coincidence, Mr. Speaker, that they chose the same logo, the same colours, and the same advertising in certain cases to try to promote their candidate in those by-elections. Instead of aiming at originality they tried to copy something that had already been used by others. I should add that during this campaign, we heard Progressive Conservative candidates, especialy in my constituency, and we saw press cuttings and leaflets distributed by the Progressive Conservative candidates saying: "If you voted for the Parti Québécois last November 15, you must be true to yourself and vote against the Liberal party and for the Progressive Conservative party." If this is logical, Mr. Speaker, must we conclude that the Progressive Conservatives have to get the votes of the Parti Québécois in Quebec? I find this quite dishonest. I believe that it is very dishonest to try to shack up with the party that is trying to destroy this government.

The hon. member for Joliette (Mr. La Salle) says: Why not? Mr. Speaker, during my electoral campaign in the Louis-Hébert riding, we were surprised to see the hon. member for Joliette at the National Assembly lunching with the chief organizer of the Parti Québécois, the hon. Marcel Léger, to see if it was possible to have the co-operation of the Parti Québécois for the by-elections. This same member of parliament came to this Louis-Hébert constituency knocking on every door to tell the people: If you voted for Mr. Claude Morin, the father of the referendum, you must vote against Mr. Dennis Dawson, because he says he is a federalist while our candidate makes certain concessions. He is running for the Progressive Conservative party and they have become compromise specialists.

We have seen the present leader of the Progressive Conservative party (Mr. Clark) hiding away from reporters; he did not show up for press conferences before large groups of reporters in almost three years. As many papers and magazines have pointed out, he could not have answered the many questions. We saw him hiding when the RCMP case made headlines, when his financial critic made startling statements. We have seen him hiding on several occasions since the last election. The only time he did not hide is when he went for a trip out of the country, and we have seen the results, Mr. Speaker. That is when they should have hidden their leader.

The confusion and dishonesty of the Progressive Conservative party have never been as obvious as in the present debate on referenda. I will not repeat the remarks made by the Minister of Communications (Mrs. Sauvé), by many of my Liberal colleagues as well as by the NDP members who pointed out the dishonesty of the Conservative party and the complicity they seek with the Parti Québécois in order to convince the people of Quebec that they are flexible and that they would be prepared to consider the problems of the Parti Québécois.

I will say nothing either, Mr. Speaker, of the language he uses in western Canada when he says that he is going to put Quebec back where it belongs. I am not going to say anything about that, Mr. Speaker, because I think these are trivial things. What about the statements made by the Leader of the Progressive Conservative party when he said that he would be prepared to negotiate sovereignty association with Quebec, and what about the hon. member for Rosedale (Mr. Crombie) who also said that he would be prepared to negotiate sovereignty association with Quebec, and what about the former president of the Progressive Conservative party who, the day after the hon. member for Rosedale made that statement declared that he agreed on that matter and that being himself from Quebec, he felt that this was very serious. Of course, Mr. Speaker, the Progressive Conservative supporters have changed their minds since then. They have changed their minds on everything since I first came to this House, but I think that the public is not stupid enough not to understand the situation.

[*English*]

The hon. member for Calgary North (Mr. Woolliams) told us that a referendum would divide groups, regions, and even families. He said in his speech yesterday, and I quote:

So I say that this legislation would pit region against region . . . This bill would also pit race against race. That is exactly what happened with regard to the conscription issue. The bill would pit religion against religion and culture against culture . . . This bill would pit family against family and friend against friend.

The hon. member does not understand that the Parti Québécois has decided that there will be a referendum in the province of Quebec. The federal government needs this same tool in order to counteract this possibility. We have seen that elections divide families and regions. Sad to say, parliament is now divided as far as regions are concerned. But are we going to abolish elections because they are divisive? My brother may not necessarily be a Liberal. A man from another region in Quebec will not necessarily be a Liberal. Are we going to abolish elections because there is a division? Are we going to abolish parliament because there is an opposition? We are divided, but we are certainly not going to abolish it.

● (2140)

[*Translation*]

I am not particularly pleased, Mr. Speaker, and on this I concur with the hon. member for Broadview (Mr. Rae), to support a bill setting up a referendum process in the Canadian parliamentary procedure. However, Mr. Speaker, I support that bill because there is already one in the province of Quebec—

Mr. La Salle: You do not have any choice.

Mr. Dawson: Not quite, Mr. Speaker, we do have a choice. I object to it as a normal formula to settle problems, Mr. Speaker, but I support it under the circumstances because we are not merely dealing with a bill altering a department, but the future of the country is involved. Since the Parti Québécois intends to hold a referendum, if we do not provide such a tool to the federal government we would be denying Quebeckers the opportunity of answering a straight question in a referendum. To a certain extent I am familiar with the matter of referenda. My provincial counterpart in Quebec City is Claude Morin, who is the father of referenda. He is the one who proposed the bill on referenda to the Quebec government and he is the one who sought support for it. Mr. Speaker, Mr. Morin does not see a referendum as a means to negotiate. He does not want to use it to obtain more power from the federal government. When he was a deputy minister, he tried to have more power and he figured that what was needed in Quebec was independence and sovereignty association. He wants to have a referendum because he seeks to get 50 per cent of the votes plus one and he will do anything to ask a question which will get him that many votes. As a government I think it is our responsibility to make sure that the people of Quebec will have a real choice before the referendum is held. If the PQ gets 50 per cent of the votes plus one it will be our responsibility to

prove that there are not 50 per cent plus one of the people of Quebec who are ready to declare independence, but rather that a majority of Quebeckers are in favour of federalism, even if it has to be renewed.

[*English*]

I should like to tell members of the Conservative party, because their members from the province of Quebec do not seem to be able to make them understand what is going on in Quebec, that we are not just facing another government, another party in Quebec, which is trying to negotiate an increase in its powers, for example, natural resources like the Albertans, or more offshore rights as in the case of the maritimes. What we see in the province of Quebec is a government whose principal and only aim since its foundation has been to declare the independence of the province. If they have not yet understood what is going on in Quebec it is probably because of the type of people from Quebec who are on their side. They should start listening to what we are saying on this side. If we have 56, 57 or 58 members of the Liberal party from Quebec it is because what the Liberal members from Quebec are saying seems to be what the people in Quebec are thinking.

To those who believe the Parti Québécois is not serious, I say this: let them go to Quebec and see for themselves. Let them talk to members of that party and observe how the people of Quebec are being influenced by the media and by propaganda on the whole issue of independence. Let them see how far they are ready to go in their desire to achieve independence.

[*Translation*]

Mr. Speaker, the federal government must have a weapon to counteract the PQ referendum, for the PQ government is determined to take Quebec out of Canada.

When I started in politics in 1968, I decided to join the Liberal party because there was in the making in Quebec a party openly seeking the separation of Quebec. And then, Mr. Speaker, in 1970-71, the party changed and started to promote the independence of Quebec. Later on, its members became advocates of sovereignty and finally advocates of sovereignty association. We even heard the Quebec premier talking about Duplessis' great dream of autonomy and about a true confederation. They are prepared to do anything to achieve their aim: 50 per cent plus one at the referendum. It is therefore our responsibility, as the federal government, to make sure that they will be honest in the measures they will take.

[*English*]

We have heard members of the opposition say that referenda are a danger to the parliamentary tradition. It is true that referenda can overshadow parliamentary procedure. We have heard members opposite say they will undermine the existence of parliament. We have heard it said they could divide Canada. But if we do not have in our possession this instrument, if we cannot counteract the referendum of the Parti Québécois, there will not be any parliamentary tradition to overshadow, there will not be any parliament to overshadow; there will not be any Canada if Quebec is out.

I could continue, but I think it is clear that most hon. members on the government side and in the New Democratic Party, and probably the members of the Social Credit party, seem to be in favour of this instrument which will help protect the future of this country as a whole, not as a divided country with a sovereignty association as hon. members in the Conservative party seem to believe they can negotiate with the Parti Québécois.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, thank you for recognizing me on this very important bill, I should say on this major weapon which is Bill C-9. Indeed, the government wants to arm itself in anticipation of a fight over the results of the Quebec referendum. Even if this bill has been introduced because of the referendum campaign that has already been launched in Quebec, it remains, Mr. Speaker, that every democracy can provide for the need to consult the people directly at some time on a certain issue. Consequently, such an eventuality must be considered and, for this reason, the government is justified to propose a legislative framework for such population consultations. Please note that I said the government is justified, because if this bill had been introduced, say, a year or two before the 1976 events, our reaction would have been different.

● (2150)

But under present circumstances I have some reservations, some doubts about the motives for introducing this bill.

Be that as it may, Mr. Speaker, the short-term objective of this bill is merely to provide a weapon against the referendum law of Quebec. That is why, I imagine, the government chose to restrict it to constitutional matters. Clause 2 defines those constitutional matters as "the customs, conventions and enactments that comprise the Constitution of Canada, and the political and judicial institutions and processes of Canada".

The referendum is a health tool; by that I mean that, to my mind, a referendum is a healthy tool for a healthy democracy; and it is only fair for the people to be consulted about its fate. However, what really concerns me deeply is the use that might at times be made of that tool, in this instance the referendum.

This bill authorizes the federal government to organize a referendum in one or several provinces of Canada. In a way this piece of legislation could become an instrument by which the federal government could force a decision on the elected government of a province through a referendum. We should keep in mind that Canada is a federation of states. Therefore it would not be a good sign to see the federal government go over the head of a province because the latter disagrees on a given point. I am not referring here to the particular situation of Quebec, I am speaking in a general context. We should keep in mind that the provinces have elected parliaments which have

clear jurisdictions and which represent directly the people; it is with them that the federal government should first come to an agreement; I mean that the government should first come to terms with the provinces instead of holding a referendum and proposing an election under a sovereign government in a province.

The arbitrary use of this legislation could therefore contribute to perpetuate the endless federal-provincial disputes and God knows we have had a lot of them for many years. The federal government could brandish the weapon of the referendum if it could not reach an agreement with a province. That would further restrict the provincial governments' freedom of action, which is already quite weak, or weakened, I believe, through the present government's efforts to centralize. And that even if the bill stipulates that referenda would only be advisory by nature. The government would not be bound by the results.

So the government has recently been converted to referenda and the Minister of Justice (Mr. Lalonde) states that it is fair and reasonable to consult the people. But if he really believes in the people's verdict, why is he not bound by the results? That may be because there were two referenda in Canada, one in 1898 on prohibition and the other in 1942 on conscription, and both have created immeasurable problems for the government and each time parliament had to pass legislation authorizing the government to hold a referendum.

I do not want to defend the old system, Mr. Speaker, but there is a limit to abuses which could have created the unregulated use of referenda. If it is so worth while to consult the people, why does the minister not allow referenda by petition? That is a procedure used regularly in Switzerland and several European countries. Then there was Howard Jarvis' famous Proposition 13 in California and I think everyone knows about that referendum.

So Bill C-9 is in many respects an all-purpose piece of legislation. That is why I want to express certain reservations I have with respect to this bill although I support its principle by and large.

I would like to deal for a few moments with the whole matter of the financial controls being established under this bill. As a result, any person could, without being registered, incur referendum expenses provided his or her contributions and expenses do not exceed $5,000. In the case of the Quebec legislation, individuals, whether severally or together, could only spend up to $300 for holding a meeting that is not organized by an umbrella organization. Contributions would be limited to $3,000 per voter and corporate persons would not be authorized to participate. Those contributions could still be paid directly to a political party.

In that respect, I feel the legislation we have before us encourages individual involvement.

[Mr. Allard.]

On the other hand, under the Quebec legislation political parties could before the referendum raise up to $3,000 per voter and each umbrella organization could receive from the parties up to 25 cents per voter. Another limit of $3,000 per voter would apply to funds raised directly by umbrella organizations. Bill C-9 provides that funds earmarked for the referendum campaign could be raised by a party or a registered committee at any time after the tabling of the government's motion.

Mr. Speaker, a comparison between these two approaches reveals some inconsistency on the part of this government. First, they place a ceiling on individual and corporate spending but they do not on political parties.

Pursuant to another provision the government may refund part of the expenses incurred for election campaigns. The amount of the refund would be set once this provision is passed. But indeed, Mr. Speaker, would it not be better to set the rules of the game at this stage? Even the government is showing its political opportunism by trying to make a last minute decision on the reimbursements of referendum expenses. I do not know exactly what the Minister of Justice thinks about it, but I would simply ask him to set the rules of the game before the referendum takes place, not after.

Still the bill contains very clearcut provisions regarding radio and TV broadcasting.

Despite the critical remarks which I have made, I suggest that the referendum bill could turn out to be a necessary legislative instrument, both simple and efficient. Despite certain imperfections, most of the aspects of public consultation make sense. By not showing a preference for the establishment of umbrella organizations, this bill will make things easier for political parties which will not necessarily be forced to join a united front as is the case for the federalist parties in Quebec. Furthermore, referenda will be held within structures which are more or less similar to those provided for by electoral regulations and procedures.

Mr. Speaker, I have tried to bring up the pros and cons of this bill. I perfectly agree on the need for a general law dealing with public consultations in Canada. However, just as many other members, I have an important reservation. In its present form, this bill might contribute to worsen the various confrontations and contentions on matters of jurisdiction which already exist between the federal and provincial governments. These confrontations could hurt the state of harmony in this country since they could lead to irreversible scissions. One must not forget the fact, Mr. Speaker, that it is not the man in the street who wants our country to be divided and is calling for a referendum. The farm hand, the unemployed, the worker, the housewife are not asking for a referendum, the only thing those people want to have is security in a great and beautiful country and bread and butter for tomorrow, as composer Tex Lecor would put it: "When Rosalie decides to put something in the fridge." In this case Rosalie is our elected representative,

the government which is unable to ensure everyone a just and decent living and to administer the country so that every Canadian has bread—

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

Mr. Allard: I wish to say it is ten o'clock, Mr. Speaker.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—ASSIGNMENT OF SPECIAL ADVISER IN DEPARTMENT

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, yesterday I asked the Secretary of State for External Affairs (Mr. Jamieson) two straightforward questions concerning Canadian representation in the United States and the manner of parliamentary approval for any forthcoming Canadian commitment to a United Nations force in Namibia. Not surprisingly, I received the rhetorical splendour of the minister in response, but no factual answer. That leads to the deeper questions of the ad hoc management of Canada's foreign policy and the level of public information about that policy. Those are vital questions, as quickly became apparent at the foreign policy conference sponsored last weekend by the Progressive Conservative party.

At this important conference held at the Guild Inn, Toronto, 50 specialists in foreign policy, with academic, research, business, church and non-governmental organization backgrounds from across Canada, gathered to discuss the thematic issues of Canadian foreign policy for the 1980s: Canadian interests, security, human rights and development. Some 38 representatives of the diplomatic corps in Ottawa were present. Indeed this was a rare and valuable moment in the history of foreign policy in our country, and reveals the open manner of consultation by the Progressive Conservative party.

A major concern expressed at the conference was that our foreign policy has become confused, vague, and indecipherable by the public. This is not the fault of Department of External Affairs officers, whom I have found to be competent and dedicated. Rather, it is the fault of the government which is so overwhelmed by the national unity and domestic economy problems that it is unable to chart a clear course in foreign relations. To be responsive to the needs of our time, it is not necessary to conjure up grand designs or new slogans. It is necessary to build on the values, tradition and wisdom of our society, and explain to the Canadian people where we are going.

Throughout the 1970s, we have been buffeted by one international shock wave after another: the OPEC price spiral, the escalating arms race, the north-south development imbalance, economic recession and protectionism, China's westward look, and the new demand for human rights. In the face of all these events the most distinguishing marks of Canadian foreign policy were the attempted diminishment of our deep relationship with the United States, the undercutting of our defence commitments with our NATO partners, and a slogan for something called "a contractual link". No wonder we give the impression we are wandering in a jungle at midnight without a compass. Is there some reason why the government fails to define and state clearly what our goals are in the changing global community?

Our conference last weekend was a success because we approached these questions systematically. For the past two years our party has been constructing a foreign policy built on the pillars of security, freer trade, human rights, and world development. With the added insights of the specialists who gave us their views, we believe we can give a sense of direction to Canadians for the 1980s, which sense of direction can be stated succinctly. We recognize we cannot separate our own domestic aspirations for peace, prosperity and social justice from the global questions of the arms race, nuclear proliferation, food and energy shortages, and human rights. Also we recognize worldwide co-operation institutions are not simply the sensible way to approach such problems, but are literally the only way. It is in Canada's interests to extend the security, freedoms and progress we enjoy through improving our global connection.

The priorities in this work are to strengthen our relationship with the United States, so that Canadian economic interests are represented more systematically at the highest levels of the American government. As a western nation, there should be no doubt that our defence requires an ungrudging commitment to NATO and NORAD. The Commonwealth and La Francophonie enable us to maintain the relationships which flow from our historical duality.

For Canadian foreign policy to be implemented in the 1980s, it will be necessary to have much more public support than is now apparent. This means opening up the process to the scrutiny of parliament, the media, and hence the public. I say with shame that in all of 1978 there was not one foreign policy debate in the House of Commons. The whole process today is so secret one would think foreign policy was the preserve of the elite.

• (2205)

Actually, Canadians from coast to coast can benefit from a constructive foreign policy that draws on the entrepreneurial instinct in Canada. This was precisely the point made by the Leader of the Opposition (Mr. Clark) in his address at the conference. There is a great amount of business awaiting Canadians abroad, an important finding that the Leader of the Opposition made on his recent trip, and which I also found on a round the world trip last year. I believe the time has come to

involve the Canadian private sector in the implementation of foreign policy through stimulating more joint ventures in such areas as oil, rapeseed, fisheries, nuclear technology, STOL aircraft, and housing. There are vast opportunities ahead for more economic co-operation and trade generally. That is a direction for the 1980s that Canadians will support.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am pleased to note the interest shown by the hon. member for Edmonton-Strathcona (Mr. Roche) concerning our relations with the United States. His remarks, as I understand, deal with two issues: first, the situation of our relations in general with the United States and, second, a more specific question he raised about the appointment of Mr. Basil Robinson as special adviser to the Under-Secretary of State for External Affairs. Mr. Robinson will advise him on matters concerning the Canadian representation in the United States.

Mr. Speaker, I wish to emphasize what the minister said yesterday concerning the good relations which exist between Canada and the United States. And I think the Americans have the same feeling. Of course, our relations with our southern neighbour are particularly important for us and also extremely complex. It requires tremendous efforts to maintain them and find fair and equitable answers to unavoidable problems resulting from the interaction between two very dynamic societies like Canada and the United States.

I want to mention to the House, Mr. Speaker, that in recent years both governments have a commendable record of achievements. Individual and official relations at the level of the President and the Prime Minister (Mr. Trudeau) as well as at other levels have been open and cordial. Ministers from both governments have met frequently and maintain very close relationship on many issues. For instance, today the Minister of Indian Affairs and Northern Development (Mr. Faulkner) and the Minister of State (Environment) (Mr. Marchand) met in Ottawa with the Secretary of the Interior of the United States and reviewed questions relating to Alaska and the Yukon, to relationship between governments and native people in both countries, and to the Garrison diversion project. Indeed they signed an important agreement amending the treaty between the United States and Canada concerning migratory birds. I might also mention the Secretary of State, Mr. Vance, and the Secretary of Energy, Mr. Schlesinger, who visited Ottawa in November. During the last 18 months both countries agreed to co-operate in important fields for their mutual benefit, including the northern natural gaz pipeline. Work has also begun with a view to cleaning the Great Lakes under the revised agreement concerning the quality of water in the Great Lakes.

• (2210)

[*English*]

The Canadian and United States special negotiators have reached full agreement—

The Acting Speaker (Mr. Ethier): Order. I regret to inform the hon. member that his allotted time has expired.

BUSINESS OF THE HOUSE—SECOND READING OF BILL CONCERNING ARAB BOYCOTT

Mr. Bob Kaplan (York Centre): Mr. Speaker, I asked my question about the Arab boycott legislation proposed by the government because I think it is time to focus attention on it again, and I am convinced that this government may need to have a fire lit under it to get it to honour the commitment it has made to the Canadian people on this subject. What is the boycott? The Arab countries have banded together and agreed to try to prevent Israeli products from entering into their countries. As Canadians we may not like that, but it is the business of the Arab countries and Israel whether one wishes to trade with the other or not, and that is not an object of Canadian policy.

But there are two other dimensions to this boycott which are totally unacceptable to Canadians. The first dimension is that if a Canadian company wishes to trade with an Arab country, the boycott requires that it agree not to trade with Israel. This is an effort to create an international restraint of trade which would apply to the detriment of our economy, it is not in the national interest of, nor is it acceptable to Canada. The other dimension of the Arab boycott which is even more unacceptable is that it calls for discrimination within our own boundaries because the boycott requires that a company wanting to do business with Arab countries must give undertaking that Zionist firms, Jews or firms owned by Jews in our country will not be given any participation in those contracts and that the company will not hire Jews here.

Clearly, this is unacceptable in Canada, and the Prime Minister (Mr. Trudeau) was the first to say so when he was asked about it in this House in May, 1975. At that time he said that this aspect of the Arab boycott was against Canadian ethics and everything for which Canada stands. That is a statement with which all Canadians will agree.

The government then proceeded to implement a policy in an attempt to prevent the Arab boycott from having this terrible application to Canadian trade abroad and within Canada. It did not do what the United States did when the Arab boycott became an issue in that country. Legislation was presented which prevented American companies from complying with the boycott and required them to disclose when they were asked to do so. When the United States implemented that legislation they did not completely close the door to the boycott because the legislation does not apply to foreign subsidiaries of American corporations so, for example, an American subsidiary in Europe would be free to comply with the boycott.

In Canada there is no comparable external dimension of economic activity under Canadian control. If we had enacted legislation of that sort it would have been much tougher in effect. The fact of the matter is, however, that Canada put forward a policy which sounded good on paper. We said that we would withhold government services and that we would require disclosure by companies of any efforts on the part of Arab countries to impose the boycott internally in Canada. But having said that, the policy seemed to disappear. There has been very little evidence to the Canadian people that that policy is in fact being implemented by the government. That was stage one.

Stage two was a commitment to introduce legislation to put some teeth behind the stage one policy, and that legislation is now on the order paper. I know that the Jewish community and others interested in civil liberties in Canadian society welcomed that legislation. I expected that it would be brought forward and implemented very quickly, but after many weeks since it was promised no action has been taken on it and second reading has not yet been proposed. I was very glad to hear the House leader say that he was prepared to consult with the parties on the other side to bring the legislation forward quickly. I hope he will do so, and I hope it will be soon.

● (2215)

I cannot sit down without adding that I am not satisfied with the legislation. It has some loopholes which require the attention of parliament. I hope it will be referred to the Standing Committee on Finance, Trade and Economic Affairs for study. I do not like the discretion which it is proposed to give to the minister and which would permit him to grant exemptions and extensions to companies that may be in compliance with the boycott. Further, I think the penalty of $250 a day for failure to provide disclosure is a joke. It is not enough of a deterrent in a deal like the Bell Canada deal, although I do not know if the Arab boycott has been imposed there. The Human Rights Commission set up by parliament is now looking into that matter, a deal involving hundreds of millions of dollars. The idea that such a deal would be affected by a fine of $250 per day is a joke.

This legislation should be brought forward so that we can examine it and try to implement the spirit of the remarks made by the Prime Minister in 1975 to the effect that the Arab boycott is totally unacceptable. What is needed is strong legislation to deal with it so that Canadian values will be imposed on and reflected in Canadian trade abroad. I am sure that there is not an interest group in Canada that does not want us to trade with the Arabs. It is a big potential market, which we need. But we must pursue it with integrity.

Mr. Bernard Loiselle (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, if the hon. member for York Centre (Mr. Kaplan) questions the government as to the proposed timing for second reading of the bill, one might wish to paraphrase again the assurances provided by the President of the Privy Council (Mr. MacEachen) last Thursday in the House that the bill is part of the legislative program and that it is the government's intention to deal with it as quickly as possible; that he would consult with the opposition party representatives to secure agreement to limit the debate on second reading to a particular time-frame—perhaps a day—and he would be happy to send it to the Standing Committee on External Affairs and National Defence if such agreement is forthcoming then.

I think we have to examine the bill. Specifically, the types of activities which the government finds unacceptable are those which would, in connection with the provisions of any international economic boycotts, require a Canadian firm or individual to engage in discrimination based on the race, national or ethnic origin or religion of any Canadian firm or individual; refuse to purchase from or sell to any other Canadian firm or individual; refuse to sell Canadian goods to any country; refrain from purchases from any country; or restrict commercial investment or other economic activity in any country.

More specifically, this legislation would require any Canadian person who receives a prescribed boycott request to report such a request to the Minister of Industry, Trade and Commerce (Mr. Horner) within 30 days of receipt of the request. Furthermore, those persons who comply with the request are obliged to report such fact to the minister within ten days. Failure to report will be punishable by a fine of $250 for each day late in reporting the required information. This amounts to some $90,000 for anyone who fails to report for one year, which is a stiff penalty indeed.

As per current practice, the minister will table semi-annually a report providing a statistical summary of the information filed, as well as the names of those persons who have complied with prescribed boycott requests. Regulations by order in council which have been tabled in the House on December 15 will prescribe those foreign boycotts requests that need be reported. It is not the government's intention to require reporting of primary boycott requests.

● (2220)

In summary, the bill embodies in legislative form those features of the Canadian policy which have been in effect for the past two years, the only difference being that instead of being limited to those Canadians who require government support and assistance—

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Victoria (Mr. McKinnon).

NATIONAL DEFENCE—COMMITMENT TO INCREASE DEFENCE BUDGET

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, we seem to be getting long answers from the government side tonight. I hope that I will not break the mould.

I am rising because of a question that I asked last week of the Secretary of State for External Affairs (Mr. Jamieson). Another minister was asked a supplementary question. First of all, I asked a question concerning the fall of the Cosmos and

the subsequent bill. In *Hansard* for January 24, 1979, at page 2512, I asked the minister to explain:

—why the government failed to claim under Treaty 6 where under article 5, paragraph 5, the Soviets would have been required to pay all expenses incurred in the recovery of returning space objects?

To this, the Secretary of State for External Affairs replied:

Mr. Speaker, I will as soon as I get a chance to look at Treaty 6.

He went on to say:

I have to tell the hon. member that I have relied upon the advice of our legal experts on this matter. It was their judgment that this was the proper and appropriate way to proceed. I must confess that, not being a legal person myself, I do not know what the answer is to the hon. member's question.

He was not the only minister whose ignorance was all too apparent. I asked the Minister of Energy, Mines and Resources (Mr. Gillespie) what the total cost of the operation was. His department was responsible for the last and longest part of the search and clean up operation. The minister took no less than nine lines of *Hansard* to inform the House that he did not know what his department's claim was, or that of any other department whose operations he had been responsible for co-ordinating.

The sad part of this ministerial ignorance is the history behind it. The performance of the ministers in particular has revealed a far from adequate level of knowledge and ability to act in the best interests of Canada. What is worse is that there is no evidence that they have yet learned anything from their previous mistakes.

In January, 1978, a similar series of questions was asked. At that time neither the Prime Minister (Mr. Trudeau) nor the Minister of National Defence (Mr. Danson) could do anything about the possible crash of the satellite until a few moments before it fell, despite the fact the Prime Minister had been at Norad headquarters and received what he said was a complete briefing on the matter. In the early days of the crisis it was revealed that there was no grasp of the dimensions of the problem, or how to exercise existing treaties to which Canada and the U.S.S.R. are both parties. To this day there is a lack of understanding of the two simple treaties that govern this matter.

Treaty 6 covers expenses of recovering satellites or parts of satellites. Treaty 7 covers damage that might be incurred by a satellite. We are in the peculiar position of having used up a lot of money for the recovery of parts of the satellite. Obviously this should come under Treaty 6 which covers expenses. In fact in one place it has the words "expenses of the search". Treaty 7 which covers damages is meant to cover damage to buildings or to a city if a satellite crash lands, or indeed damage to another aircraft; it makes provision for that.

When I asked the ministers if they had read the treaties they made light of it, or claimed they were too difficult to read. People who write bills for this government should study the English in these treaties. They are the easiest and shortest I have seen for a long time. Treaty 6, which no one on the government side seems to have read yet, contains only three pages, and is written in crystal clear English. It is not the fact that they did not have sufficient warning on this matter. Last January, 1978, when the satellite fell, my first question to the ministers was with respect to the Cosmos satellite. As reported at page 2347 of *Hansard* I asked:

—has the Canadian government notified the U.S.S.R. of the discovery on our soil of a space object, or its component parts, believed to be of a hazardous or deleterious nature, as we are required to do under article 5 of the international agreement on the return of objects launched into outer space?

● (2225)

This is in the treaty we should have been claiming under. However, we have to notify them. This we were not doing. The Minister of National Defence replied:

The international regime will meet its responsibilities, as was indicated to the Department of External Affairs by the Soviet ambassador.

In other words, do not worry about the bills, the U.S.S.R. will pay them. When I asked if indeed they had filed under another provision of the treaty, the minister replied, "not to the best of my knowledge." On February 1 I again asked if they had filed under the appropriate section. The Minister of National Defence replied:

There has been no request for Russian assistance from any of our people. The Soviets have offered to assist, but there has not been a need for it.

On February 3 I asked:

Did the government formally notify the Soviet Union, as we are required to do under clause 4 of article 5 of the treaty governing the return of objects launched into space, and have the Soviets responded in the manner they were obliged to do if we so informed them that an object of a hazardous and deleterious nature had crashed in our territory?

The Minister of National Defence replied:

Yes, Mr. Speaker, there have been discussions between officials of the Department of External Affairs and the Soviet government to determine the consequences of this.

I then asked:

That is not quite an answer to the question I asked. I asked if we formally notified them under the treaty. Discussions are a different thing.

The minister replied:

Mr. Speaker, I do not believe the treaty has been exercised in that manner.

That put us in the difficulty we are in today. I hope the parliamentary secretary will explain why we are not putting our claim under Treaty 6 which covers search expenses. The second question I asked about total costs need not be answered. Everybody in the country except—

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

[*Translation*]

Mr. Raymond Dupont (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the issue raised this evening by the hon. member for Victoria (Mr. McKinnon) is important and therefore would require much more time than I am allowed. I would however take this opportunity to repeat the assurances given by my colleague the Minister of National Defence (Mr. Danson) in this House on December 14. Hon. members will recall the minister indicated at that time that our NATO allies welcomed our efforts.

Hon. members will also recall the minister recently visited Canadian troups in Germany. Dr. Apel, the minister in charge of national defence in the Federal Republic of Germany joined Mr. Danson for that visit. Both ministers visited Canadian military facilities in Lahr and Baden, and after private and public talks Dr. Apel paid tribute to the Canadian contribution. Later in the course of that trip, the minister visited Greece, another NATO ally, where important and very positive meetings were held. During those meetings with representatives of other NATO countries, it was sensed that the Canadian contribution is very well recognized. Canadian soldiers of both sexes are truly professionals, and I believe that all hon. members here share this view. This is a recognized fact in the NATO organization, the United Nations and everywhere else. We are now in the process of buying the best kind of equipment that will allow our forces to show their ability and complete their training. Mr. Speaker, two especially interesting events occurred last week, one in London, Ontario, and the other in Burbank, California. In London, it was the AVGP, a multiple purpose vehicle. This vehicle was preceded by the Leopard tanks which are now in Gagetown, New Brunswick. The AVGP will be used to train our armoured force, and because of its multiple role, it will also be used by our troops. In Burbank, it was the Aurora. This airplane has the reputation of being the best in the world. Eighteen of these airplanes will be purchased from the Lockheed Company in California. The first will be delivered in May 1980 and the last one in March 1981.

I could give many other examples, Mr. Speaker, such as the progress accomplished in our fighter plane purchasing program and the new shipbuilding project for our fleet. What is important to note, Mr. Speaker, is the quality of our equipment and the professionalism of our people, which are both recognized by NATO.

The Acting Speaker (Mr. Ethier): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, January 31, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

STATISTICS CANADA

REQUEST THAT SURVEY OF FAMILY EXPENDITURES BE IMMEDIATELY DISCONTINUED—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, under the provisions of Standing Order 43 I wish to move a motion on a matter of urgent and pressing necessity.

In view of the fact that family allowances are, by law, universal and without a means test and, further, that a survey is now being conducted by Statistics Canada into the personal habits and incomes of every twenty-eighth recipient of family allowances and, further, that those interviewed are told that they must respond to these questions by an interviewer under penalty of a fine or imprisonment of up to three months, I move, seconded by the hon. member for Halton-Wentworth (Mr. Kempling):

That this House directs that the survey by Statistics Canada of the recipients of family allowances which represents an unwarranted invasion of privacy be stopped forthwith and, further, that the minister responsible be directed to explain to this House or to the appropriate committee of this House the reasons for this survey which violates the principle of the universality of family allowances.

Mr. Speaker: The introduction of such a motion for debate at this time can be done, pursuant to Standing Order 43, only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

STATUS OF WOMEN

CALL FOR STEPS TO END PAY AND JOB DISCRIMINATION AGAINST WOMEN—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent), I move:

That this House endorses the stand taken by the National Action Committee on the Status of Women and by the Ottawa Women's Lobby to the effect that the Centre for the Study of Inflation and Productivity, in calling the recent wage settlement between Bell Canada and its clerical employees, most of whom are women, inflationary is dead wrong, it being clear that encouragement should be given to "catch-up" wage increases designed to correct pay distortions between male and female workers; and this House calls on the government to back its commitment to equal pay for work of equal value by taking positive steps to end pay and job discrimination against women in the federal public service.

Mr. Speaker: Such a motion can be presented for debate at this time, pursuant to the Standing Order, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

WATER RESOURCES

ROUTING OF WATER PIPELINE IN SAANICH, B.C.—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek the unanimous consent of the House to put a motion on a matter of local, urgent and pressing necessity.

Since the Minister of Transport (Mr. Lang) refuses to meet the local member of the British Columbia legislature and the minister of the British Columbia government involved to resolve a difference over the routing of a water pipeline across or around the Dominion Experimental Farm in the Saanich peninsula, and since to route the pipeline around the farm would be more costly to the Canadian taxpayer and to the ratepayers of the municipalities involved, I move, seconded by the hon. member for Victoria (Mr. McKinnon):

That the Minister of Transport abdicate his role as spokesman for the three ministries involved and ask the Minister of Agriculture, who just possibly might be a little less intractable in this matter, to negotiate a settlement so that this pipeline might be routed by the more economic route at no cost to the federal government.

Mr. Speaker: Is there unanimous consent for the presentation of such a motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

SHIPPING

INCREASE IN PILOTAGE FEES—PROMOTION OF MARINE SERVICE BUSINESS ON EAST COAST—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43, and move the following motion, seconded by the hon. member for St. John's East (Mr. McGrath):

● (1410)

That the increase of up to 69 per cent in pilotage fees in the Atlantic provinces for small vessels recommended by the Canadian Transport Commission and approved by the government to go into effect January 22, be reversed by the government immediately to prevent a further decline in shipping in Atlantic ports in 1979 and to encourage the use of the ports of St. John's and other Atlantic province ports by foreign fishing and other vessels so as to promote the marine service business of east coast Canada.

Mr. Speaker: Such a motion can be introduced for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDIAN AFFAIRS

HEALTH CARE FOR INDIAN COMMUNITIES—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

In view of the fact that the Minister of National Health and Welfare has delayed her new guidelines for Indian health services for six months, I move, seconded by the hon. member for Simcoe North (Mr. Rynard):

That the minister take steps to rescind the agreement between her department and Blue Cross—Blue Shield in the maritime provinces, that she inform her regional offices of the six-month delay, and that she inform pharmacists, ambulance companies and others directly involved that she has, indeed, made this six-month postponement.

Mr. Speaker: Such a motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

RAILWAYS

USE OF FREE PASSES ON VIA RAIL TRAINS—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter that is urgent and pressing.

In view of the fact that railway passholder privileges have been restricted by the rationalization of transcontinental passenger service, and since the railway companies and VIA have not yet agreed to continue the existing pass privileges of widows, pensioners and employees, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of Transport require that Canadian National and Canadian Pacific employees, pensioners, and widows be allowed to use their passes on any VIA trains.

Mr. Speaker: Presentation of such a motion for debate at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

REQUEST FOR STATEMENT ON FOREIGN EXCHANGE CONTROLS POLICY—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter or urgent and pressing necessity.

In light of the devastating effect to the economy if foreign exchange controls are implemented, owing to persistent and increasing speculation on the part of some of the leading financial experts in this country that this government will momentarily impose foreign exchange controls, and in view of the fact that these same experts are advising Canadian investors to prepare for controls by transferring their investment funds to foreign corporations which they would control from Canada, I move, seconded by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn):

That the Minister of Finance forthwith make a statement in the House of Commons in a clear, unequivocal fashion on his intentions in this regard.

Mr. Speaker: Introduction of such a motion for debate requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

FURTHER DECLINE IN VALUE OF CANADIAN DOLLAR—EFFECT ON INFLATION

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. As the Prime Minister will know, on January 24 the governor of the Bank of Canada, Mr. Bouey, said to the Senate committee:

I feel very strongly that further declines in the Canadian dollar resulting from this interest rate relationship would be much more inflationary.

Would the Prime Minister tell us if that is also the position of the government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, yesterday the Leader of the Opposition was complaining that the governor was not appearing before a committee, and now he is quoting words of the governor in front of a committee.

Some hon. Members: Oh, oh!

An hon. Member: Answer the question.

Mr. Hnatyshyn: Why not abolish the Senate?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, the Prime Minister is still confused about the difference between the House of Commons and the Senate, but he has not lost his refusal to answer questions in the House of Commons.

I wonder if we might have an indication of the policy of the Government of Canada in relation to the dollar, if it has one. Will he answer my question? Was the position stated by the governor of the Bank of Canada also the view of the Government of Canada?

Mr. Trudeau: Mr. Speaker, the Minister of Finance and myself have said repeatedly that the policy of the government since 1970, has been to have a floating dollar and that the value of the dollar is established by the market system operating in the normal way.

Mr. Clark: Mr. Speaker, the warning issued by the governor of the Bank of Canada is clearly that if the floating dollar policy followed by this government—which amounts to a sinking dollar policy—continues, then we are going to have a very serious inflationary problem in this country.

● (1415)

What I would like to ask the Prime Minister is, given the failure to stop the decline because of the policies that have been followed so far by the Government of Canada, has the government any new policies to propose that will stop the slide of the Canadian dollar? If so, what are they?

Mr. Trudeau: Mr. Speaker, the best way to stop the slide in the value of the dollar is to make sure the economy is sound and is responding well. The policies of the Minister of Finance in his budget last fall, the announcements made by the government in August in terms of cutting vast expenditures from government spending, reducing the rate of growth of expenditure and the rate of growth of the public service, are our ways of ensuring that the Canadian economy remains strong.

I doubt very much if it is helped by the Leader of the Opposition saying one day that he wants a two to three year deficit, the next day it will only be a short one, and then having his erstwhile critic saying it will be a few months, or one month—a disappearing stimulus, as it were. That is not very helpful. Fortunately, people are now realizing there is a policy on this side and that on the other side there is just confusion and a welter of policies.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, what the figures released this morning indicate is that there is, indeed, a policy on that side; it is a policy which has increased the size of the Canadian deficit; it is a policy which has brought down the value of the Canadian dollar. That policy is obviously not suitable to Canada today.

Some hon. Members: Hear, hear!

Mr. Clark: Since the Prime Minister is now so interested in committees of the Senate, I want to ask why, if he is so proud of his policy, he continues to refuse to allow the state of the Canadian dollar to be examined and witnesses to be called by a committee of this House of Commons.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr.Speaker, I indicated yesterday the many occasions on which this House has had the occasion to discuss economics—the budget debate, the debate on the speech from the throne, and several opposition days that will be available in the next month and a half to the opposition parties who, if they want to discuss their views on this, can put them forward. However, I sense that they are not going to bring these issues forward, for a very simple reason.

The Leader of the Opposition says in his question that a larger deficit causes a sinking dollar, that he is concerned about a sinking dollar, and then goes on to propose a larger deficit. I do not really see that they have anything to contribute in this, except questions to which they do not know the answers.

Some hon. Members: Hear, hear!

COMPARISON OF CANADA'S ECONOMIC SITUATION WITH THAT OF UNITED STATES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is also for the Prime Minister. You will recall that yesterday he gave us some treatises explaining the economic panic that the goverment is in. He stated that various countries ship unemployment out of the country. It was a great reminder

of the Prime Minister's comment to University of Toronto students some time ago that if they could not find jobs in Canada, to leave the country.

My question is simply this. Why did the Prime Minister avoid commenting on the United States performance yesterday, bearing in mind that they have a better real growth than Canada, less inflation, have reduced their unemployment, have approximately less than half the current account deficit we have and, of course, have a domestic deficit much lower, relatively, than ours? What have they done so right that the Prime Minister's government has done so wrong, resulting in our current dollar crisis?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member returns to the question of shipping unemployment out of the country. I remind him of what I said yesterday, that in Canada in the past ten years we have increased the number of jobs by 2½ billion, plus.

Mr. Clark: Billion?

Mr. Trudeau: Million. In Germany, during the same period, they have lost jobs. They now have nearly two million jobs less than they had ten years ago. If that is something the hon. member—

Mr. Stevens: How about the United States?

Mr. Trudeau: Now he asks about the United States. I indicated yesterday that on a ten over ten-year basis, or taking just the last six years, the hon. member will find that Canada has performed better than the United States.

Some hon. Members: Oh, oh!

Mr. Trudeau: Hon. members can challenge the figures if they can prove it. I indicated yesterday that real growth in Canada had been higher than in the United States over the ten-year period. The real disposable income in Canada went up twice as fast. That is, real income of every head of population in Canada, compared to real income of every head of population in the United States. It went up twice as fast in Canada as in the United States.

Just a few weeks ago the OECD indicated that, in terms of standard of living, Canada had just surpassed the United States, being second only, I believe, to Switzerland and Sweden.

Some hon. Members: Oh, oh!

Mr. Trudeau: I can understand the groans from the opposition. The facts disturb their pessimistic view of the way Canada has performed in the past ten years.

Some hon. Members: Hear, hear!

● (1420)

Mr. Gillies: Tell that to the million unemployed.

[Mr. Stevens.]

Mr. Stevens: Mr. Speaker, I hope the Prime Minister will make a point, in the coming months, of telling that to the unemployed of Canada.

Is he aware that governor Bouey, apparently feeling he was not being given the opportunity to respond to his critics, invited, on his own initiative, an interview with a representative of *The Globe and Mail* with a view to having published in that paper the governor's views concerning the current dollar crisis?

If the government is aware of the initiative taken by the governor to have his words put into print, would the Prime Minister tell us why he continues to be so hesitant to allow him to appear before a committee of this House so that, in addition to presenting his views, he can respond to questions by members of this House concerning the current dollar position?

Hon. Jean Chrétien (Minister of Finance): The governor of the Bank has appeared before the committee, and he probably feels that after the kind of questions he was getting from members of the opposition he would have more intelligent questions coming from the reporter.

Some hon. Members: Oh, oh!

Mr. Chrétien: He gave that interview. He was before a committee of the Senate. The finance committee is presently reviewing the Bank Act, and he is ready to appear there. All I know, after reading some of the questioning there, is that there is such confusion on the other side that the governor probably felt it was his duty to speak directly to the people.

* * *

CONSUMER AFFAIRS

ACTION TO AVOID FURTHER INCREASE IN PRICE OF LUMBER

Mr. Edward Broadbent (Oshawa-Whitby): My question is directed to the Minister of Consumer and Corporate Affairs. Considering that lumber prices for home builders increased by a full 40 per cent last year, and considering that profits by companies engaged in this industry are at an almost all-time high, ranging up to 358 per cent, I should like to ask the minister what he is doing to head off an anticipated further 20 per cent increase in price this year which will have a major effect on the price of every Canadian home.

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): As the hon. member knows, until the end of last year the AIB was in place and there was price control to a certain extent, together with monitoring of these prices. The agency no longer exists.

I have recently received representations of a similar nature from members of this side of the House and I have started an inquiry into the situation. I cannot tell where it will lead at the present time. I have been asked to look into the matter, and I shall.

Mr. Broadbent: Considering that the price increases amounted to 40 per cent last year, and 20 per cent the year before—that is a total of 60 per cent—and that a further increase of 20 per cent is anticipated in the coming year, making it 80 per cent, which is not bad—if a Canadian worker could get that, he would be very happy—and considering that the increase anticipated this year will add at least $1,200 to the price of the average Canadian home, will the minister take direct action, call in the heads of the major firms, draw these price and profit increases to their attention and request them in the strongest possible language to hold down price increases this year?

● (1425)

Mr. Allmand: Mr. Speaker, I cannot accept the figures the hon. member gives for the last year or two. I have come to be very suspicious of information the hon. member gives us in this House; I have often found it to be incorrect. However, I will look into this matter.

There is no longer a price control mechanism in this country. It may be possible to talk to the leaders of this industry if there appear to be unwarranted profits or price increases, but I want to look into this before I make any judgment on the question.

Mr. Broadbent: Mr. Speaker, the minister has made what I take to be a gratuitous comment about inaccurate statistics. I challenge him to name one. If there is one, I will publicly accept this criticism and correct the inaccuracy. The figures I am giving are available to the public. There have been substantial price increases in the past two years.

The Prime Minister has lectured Canadian workers over the past week.

Mr. Trudeau: No.

Mr. Broadbent: He has asked them to hold down wage demands, while their increases have averaged just over 6 per cent. If the minister wants action and if he wants fairness in the system, will he call in heads of companies and request them to hold down their prices, because prices profoundly affect the price of every home and, indirectly, the quite justifiable wage demands of workers in this country?

Mr. Allmand: Mr. Speaker, I said I would do that if I thought it was warranted, but I want to look at the facts first. Before the hon. member raised this matter with me, several members of my own caucus did the same thing. I promised them I would look into this matter. I will do that, and I will call on company heads if it is necessary to do so.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

REQUEST FOR INQUIRY INTO ALLEGED BOYCOTT OF SOCIAL CREDITERS IN INFORMATION PROGRAMS

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, following the motion which I proposed yesterday, I should like to put a question to the Secretary of State responsible for the CBC. Considering that the corporation has been given a mandate to present the views of the House and provide consistent and fair news reports to the entire population and considering that this Crown corporation systematically refuses to broadcast any news release from the Social Credit Party of Canada, is the minister prepared to investigate the attitude of the CBC and, if so, would he report the results of such investigation to the House?

Hon. John Roberts (Secretary of State): Unfortunately Mr. Speaker, being ill yesterday I was unable to read the motion moved by the hon. member. I will read it carefully. If I understand the last part of the hon. member's question, he is asking me whether I am prepared to launch an investigation into the CBC and report the results of that investigation to the House. I must admit that I would not make a comprehensive inquiry, if this is what he wants, but of course I am prepared to consider carefully the suggestion he made yesterday before giving a final answer to the question he put to me today.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question.

I happen to know that the Secretary of State has already contacted the CBC for particulars. What I would like to know now is this: When something important is going on, for instance the Pepin-Robarts task force report, which has been much talked about this past week, if any political party takes an official stand on that issue, would the minister be willing, following the first round of talks he had with CBC officials, to inquire into the time spent over a given period of time to air the views of each political party on daily news broadcasts and would he report back to the House?

Mr. Roberts: Obviously, Mr. Speaker, it is one thing to inform the CBC of the representations made by hon. members and it is my duty to do so as effectively as possible. But it is quite another thing to conduct an inquiry; it is a very serious matter. Before making such a decision, I would like to have time to examine this matter and also the opportunity to consider the evidence or the reasons for such an inquiry. I think this matter would be a very serious one for the House to get involved in and I would like to have time to go into the matter fully before taking such action.

● (1430)

[*English*]

NATIONAL REVENUE

ASSISTANCE IN COMPLETING CHILD TAX CREDIT FORMS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of National Revenue. Now that the forms in connection with the child tax credit allowance are in the mail—and they are even more complex and worse than we had anticipated—I would ask the minister what extra assistance, extra staff or help he intends to provide the 1.5 million Canadian women in this country who have never filed income tax returns, but who will have to answer what is a very complex and difficult form?

What extra help does the minister intend to provide those women to ensure that they are able to file these returns satisfactorily in order to get the moneys due them under the Child Tax Credit Act?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, the difficulty that exists in respect of this form arises principally from the fact that many mothers who receive it are going to be filing an income tax form for the first time. I would dispute with the hon. member that schedule 10, to which he is referring, is unduly complex. It is a four-part form on a single page.

I think many persons will require explanations, and there has been a considerable degree of publicity conducted by my colleague, the Minister of National Health and Welfare, who earlier this month mailed out some very helpful information, including a copy of the form. I should point out that my department mailed out some 1.5 million forms to those persons we believe would not ordinarily be paying income tax. We are going to require some 350 additional person-years to process the additional material. However, I would say that in addition to the regular advice given by Revenue Canada, the Minister of National Health and Welfare has allocated substantial funds to make certain that voluntary organizations are able to render assistance in this area to taxpayers.

We are encouraging our own officials to render whatever extra assistance they can, and many of them will be doing so on a voluntary basis. I have also encouraged members on our side of the House, certainly, who have taken a great interest in this, to offer the help of their offices, and I hope hon. members opposite will do the same.

Mr. McGrath: Mr. Speaker, one part of this form, very briefly, reads as follows:

> Subtract line 7 from line 1 to arrive at your child tax credit on line 8. If line 7 is greater than line 1, you are not entitled to a child tax credit. Transfer your credit to line 78 on page four of your return.

Mr. Speaker, I do not think even the minister himself could understand that bureaucratic gobbledegook. I should like to ask the minister, given the fact—

An hon. Member: Don't you understand it?

[Mr. Roberts.]

Mr. McGrath: Mr. Speaker, I will let the Prime Minister read it. Perhaps if he did, he would not be sending out this stupid form.

Some hon. Members: Hear, hear!

Mr. McGrath: I would like to ask the minister—

An hon. Member: Has he read it; have you read it; has she read it?

Mr. McGrath: Mr. Speaker, given the complexity of that form, given the fact that these women have never filed income tax returns before, and given the fact that they are entitled to a child tax credit, will the Minister of National Revenue withdraw the form, particularly if he is not prepared to provide sufficient councillors, which he obviously will need, and instead require a simple declaration, as is the case in respect of the guaranteed income supplement under the old age assistance program? Surely that is all that is required.

If the minister is not prepared to do that, then he will have to answer in this House for the problems he will be creating by this bureaucratic gobbledegook which is going to confuse the people of this country.

Mr. Abbott: Mr. Speaker, I cannot understand the hon. member attempting to mislead the House by his statement and by—

Some hon. Members: Oh, oh!

Mr. Abbott: —extracting the language that is in the form without presenting the form. If he were more fair-minded, he would indicate that these instructions reflect facts that are far more obvious to anybody studying the form.

I do not deny, as I have not denied earlier, that women who are faced with filling out of the form for the first time may find it burdensome. That is why I explained some of the processes to help that are going to be undertaken. I would suggest to the hon. member that, instead of creating apprehensions which do not exist in the minds of most people by extracting information from the form, he should learn more about it himself and then he might be able to help his constituents fill them out.

* * *

HEALTH AND WELFARE

ALLEGED INVASION OF PRIVACY IN SURVEY OF FAMILY EXPENDITURES

Mr. James A. McGrath (St. John's East): Mr. Speaker, so much for Tony the Tiger.

I should like to direct this question to the Minister of National Health and Welfare. Is there any connection between the survey being conducted by Statistics Canada involving every twenty-eighth recipient of family allowance, asking very personal questions about things from income to the use of personal hygiene products, and the child tax credit bill? If

there is no connection, perhaps she could explain to the House and the country why this massive invasion of privacy is being allowed, as it seems to violate, if not the letter then certainly the spirit of the universal Family Allowances Act.

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, the hon. member should have directed his question to my colleague the Minister of Industry, Trade and Commerce. He has been in the House long enough to know who is responsible for Statistics Canada. As the hon. member is probably afraid of my colleague, I have just consulted him and he has assured me that there is no connection.

* * *

SUPPLY AND SERVICES

REQUEST THAT UNDERDEVELOPED REGIONS RECEIVE SHARE OF COMMERCIAL OPPORTUNITIES

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is directed to the Minister of Supply and Services.

In view of the fact that the Pepin-Robarts commission has recommended, in the section dealing with unity and the health of the economy, that government purchasing policies be based upon considerations of market costs unless specified social and economic objectives would otherwise be served, could the minister indicate whether he goes along with this recommendation and when he intends to implement it, so that small manufacturers and suppliers within underdeveloped regions may have access to and take full advantage of commercial opportunities made available by Canada as a whole?

Hon. Pierre De Bané (Minister of Supply and Services): Mr. Speaker, I should like to reply to the hon. member for Madawaska-Victoria by saying that the federal government being the major purchaser in Canada, it goes without saying that our duty is to use this purchasing power to reach various goals, which include strengthening Canadian industries and, as the hon. member has stated, helping our less favoured regions. In this regard, I might say that I have instructed my department officials to buy this year from our less favoured regions four times as much as they did over the past few years.

* * *

[*English*]

THE CANADIAN ECONOMY

EXTERNAL TRADE IN JUNE AND JULY, 1978—EFFECT ON CANADIAN DOLLAR

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I would like to ask the Minister of Finance whether he would tell us if the misleading external trade figures for June and July of last summer, produced by Statistics Canada, had an adverse effect on the Canadian dollar and, if so, has he taken this matter up with his colleague, the Minister of Industry, Trade and Commerce, in order to prevent a repetition of this latest gaffe by our national statistical agency?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I think the fact that the figures published in July showed a deficit for the month of June, which was not the situation in the month of July, was not particularly helpful to the Canadian dollar.

You have to give the benefit of the doubt to the organization, because those figures are perhaps being published too quickly. They come out only a few weeks following the end of the month and can be misleading because all the information is not in. Perhaps if this situation is repeated it would be worth-while looking into the possibility of not publishing these figures so quickly. In this way they would perhaps give a real reflection of what happened in the previous few months and the market would not then operate on information that was found to be correct a month later.

The same thing happened for the month of November, when a surplus of $100 million was shown. It could be that the same phenomenon will occur for the month of December. I cannot blame Statistics Canada, because perhaps it is forced to report too early. Maybe we could look at the possibility of waiting a longer period, so there will be no misunderstanding.

* * *

STATISTICS CANADA

ABOLITION OF JOB VACANCY SURVEY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my supplementary question relates also to the subject of statistics and I would direct it to the Prime Minister.

I wonder if he could take us into his confidence and tell us whether he has yet found time to answer the request of the president of the CLC regarding what I understand to be a unilateral decision by Statistics Canada to abolish the job vacancy survey, the only reliable statistics on the labour demand side? If he has not had time to answer this request, perhaps he could tell the House what decision he has made.

• (1440)

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I answered that letter a week or two ago. The first thing I would point out is that it was not a unilateral decision. On the contrary, I had a meeting with the CLC executive and some ministers early in December, I believe—or perhaps late in November—at which time they asked us to bring out, alongside the new consumer price index, the old one. In effect, that is what we did in consideration of their request.

We looked into the cost, it was not very great, to publish these additional figures. We feared it would be confusing because, naturally, there can be only one set of official figures. We cannot have two sets of CPI figures side by side, particularly because of the importance of the consumer price index in

establishing indexed pensions, and so on. We must have only one official index. Thus, we brought out that one official index but, acceding to the CLC request, we brought out in a parallel manner the old index, making it clear that the old index was not the official one. If the unions want to use it for certain purposes, of course we will not stand in their way.

Mr. Speaker: The hon. member for Wellington-Grey-Dufferin-Waterloo.

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

Mr. Speaker: The Chair will hear the hon. member's point of order at three o'clock. The hon. member for Wellington-Grey-Dufferin-Waterloo.

* * *

CROWN ASSETS DISPOSAL CORPORATION

REPORT ON MORALE OF EMPLOYEES

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is directed to the Minister of Supply and Services: it arises out of a $15,000 consultants' report by Stethem-Gareau Ltd., of Montreal, dealing with the question of employee morale at Crown Assets Disposal Corporation.

Can the minister confirm the reports that the study, which was conducted at the cost of $15,000 to taxpayers, disclosed serious morale problems within Crown Assets Disposal Corporation? Can the minister tell the House whether, in fact, he has read a copy of the report since he and I first discussed it a month ago?

[*Translation*]

Hon. Pierre De Bané (Minister of Supply and Services): Mr. Speaker, I will answer the hon. member that the Crown Assets Disposal Corporation has indeed commissioned different studies. I will be very happy to make available to the hon. member the one which deals with the performance of the corporation. As regards the study commissioned by the administration on the attitudes of the employees themselves, I do not think it is of public interest, considering it is already somewhat dated.

However, I can tell the hon. member that I asked the president of the corporation to undertake another study on that matter as soon as possible. And if the hon. member would like to have the president appear before the parliamentary committee, I would agree and it will be seen how she has doubled the sales figure within three years with the same number of employees.

[*English*]

Mr. Beatty: Mr. Speaker, the minister did not answer my question as to whether he has bothered to study the report which disclosed very serious morale problems. Can the minister indicate that?

Also, in view of the fact he stated in his response to me that he feels the study conducted just a little over a year ago is stale-dated, can he confirm that in 1978 virtually one-half of the employees of Crown Assets Disposal Corporation left the employ of the corporation? If so, what possible justification can the minister have for suggesting that circumstances have changed since the report was commissioned?

Mr. De Bané: Mr. Speaker, I will tell the hon. member my method of looking at any corporation or board for which I am responsible. As long as I have confidence in them, and as long as through their performance that confidence is justified, I will not act as a backseat driver.

If the hon. member would like her to appear before a parliamentary committee, he can ask her all the questions he wants, and I hope the hon. member will reach the same conclusion as me. When the hon. member realizes that she has increased services in three years, without increasing the number of employees, and all other parameters, I think he will reach the same conclusion. It is not up to me to ask for a report—

An hon. Member: But you are the minister.

Mr. De Bané: —which has nothing to do with the performance of the company but concerns a particular problem which happened two years ago.

An hon. Member: Did you read it?

* * *

POST OFFICE

UNION'S ACTION AGAINST WORKERS WHO WERE LEGISLATED BACK TO WORK

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Postmaster General. Is he aware that at least 50 letter carriers in Hamilton are facing formal charges by the Letter Carriers Union of Canada because they obeyed parliament's back to work legislation last October?

During that debate, the minister assured the House that no postal workers would be harassed if they wanted to work. Thus, what will he do about this particular situation in Hamilton? Will the minister make clear to CUPW that the government will not tolerate Post Office employees suffering reprisals for obeying the law of the land?

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, this question has been drawn to my attention. The position of my department was that it was an internal matter with the postal union.

Some hon. Members: Oh, oh!

Mr. Lamontagne: If these people asked us for help to protect them against their own union, we would consider it; but as a matter of fact at the moment there is no question of

harassment. The law is there. If they want help, again, we will consider it.

* * *

NATIONAL REVENUE

CHILD TAX CREDIT—REQUEST FOR MORE SIMPLE TAX FORM

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister of National Revenue, who is also the minister responsible for cutting down paperwork. My question is supplementary to the questions put by the hon. member for St. John's East.

I plead with the minister and his colleagues that this is not a laughing matter, nor is it a case of anyone trying to mislead anyone else. In view of the fact the mix-up in his department and the complications of the process will result in many thousands of mothers—perhaps hundreds of thousands—not receiving their child tax credit on time, and that when Bill C-10 was before the House we pleaded for the simplest possible arrangement, will the minister now apply himself to finding a way to deal with this matter in very simple terms? Why not accept the simplest statement from any mother that she is entitled to the payment, to ensure she receives it, leaving another year to sort the matter out as far as the details are concerned?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, I can assure the hon. member that I am more than conscious of the problem created by the process.

Some hon. Members: Oh, oh!

Mr. Abbott: But I think we can be lured into exaggerating the complexity of this problem. I assure the hon. member that the department under my direction, my colleagues, all members on this side and other departments will co-operate fully to help mothers fill out these forms. I reiterate, the hon. member for St. John's East was trying to obscure the fact that this is not a laborious procedure once it is explained or understood.

Some hon. Members: Oh, oh!

Mr. Abbott: Basically, schedule 10 contains four questions: What is the net income of the mother; what is the net income of her spouse; do they add up to more than $18,000—and if not, then they transfer that amount to the regular income tax form, sign their name and send it in.

Mr. Alexander: And that is where the fun begins.

Mr. Abbott: Let me reiterate, I do not doubt that for many mothers even the prospect of filing a return is a problem. It is that problem we are ready to encounter. All the officers of my department are conscious of this problem, as they are of others. Once again, I encourage the hon. member to help his constituents, through his own office, wherever he finds difficulty.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, does not the fact there are 1.5 million mothers who are non-filers of income tax forms, and who are into this situation for the first time, convince the minister that they will not be able to deal easily even with the so-called simplified form to which he just referred? Granted that in the course of a few months the minister might sort it all out, surely there can be a simple arrangement at this time, so that these mothers will get their money in April.

If the minister is caught with the Income Tax Act, caught with regulations, and requires some amendment to the statute to simplify the situation, will he ask the government House leader to discuss this matter with the other House leaders, for I am sure we would agree to put the necessary amendment through in half an hour?

Mr. Abbott: Mr. Speaker, I think we must acknowledge that the system has been agreed upon by parliament. It was devised by the Department of National Revenue for at least this year, to be carried out as effectively as possible.

• (1450)

I have no doubt that if a very small percentage—say 1 per cent of 1.5 million filers—are frustrated, this can amount to a very substantial number of people, by its very nature. But I do not think I could undertake or lead the hon. member to think that a change could be made at this stage. Next year there will be a far simpler return because—

Some hon. Members: Oh, oh!

Mr. Abbott: Hon. members laugh. The fact remains that parliament passed this bill on December 4 and it was quite inconceivable that the taxation forms could be amended prior to that date to take account of a bill which might or might not be passed.

What I am suggesting is that hon. members opposite, as they have here, accept the fact that this will present some difficulty the first year and, instead of spending their time belly-aching about it in the House, get out and help their constituents fill out the forms.

CHILD TAX CREDIT—REQUEST THAT TAX FORM BE WITHDRAWN

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I would remind the hon. minister that parliament did not pass on this incredible form.

My question is directed to the hon. lady, the Minister of National Health and Welfare. Considering that when we debated the child tax credit bill, we on this side of the House warned the hon. lady that going by the method of the negative income tax, what would happen has happened, and considering that the form now before 1.5 million mothers in Canada is an incredible means test, has she made representations to the Minister of National Revenue to withdraw this incredible, indecent means test and to simplify the whole methodology, as

suggested by the hon. member for St. John's East? Has the minister made these representations to the hon. Minister of National Revenue and, if not, will she assure the House that she will do so?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I am sorry but the hon. member is all mixed up. In the second part of his question he refers to a means test. Granting social benefits by using the income tax is the most dignified way to evaluate the income and means of an individual and his family without having public servants interfering. That is why we have chosen it. Naturally, I do not want to be too long in answering my colleague. This is the method we want to apply. We want to use the most dignified and fair means to give each Canadian family in need an additional share of federal funds. Moreover, in the first part of his question he referred to the problem of filling a double form. It was I who informed the House of this problem, who explained that for the first year of application the revenue computer program had been working since the end of August and that in light of the present situation we had decided that it was better to give this money to the mothers in 1979 than to have them wait a year more to give the department a chance to design a simpler form.

[*English*]

Mr. Grafftey: Mr. Speaker, I can assure the hon. lady that I am asking this question because of the mothers in my riding who perceive this form as a reprehensible means test. She can call it what she wants. I am asking her again: considering the representations that have been made to members on this side of the House that this is a reprehensible means test, because of the bureaucratic form prepared by her colleague, did she ever determine that that is what it would be, and will she now make recommendations to him to withdraw this nonsense and simplify it; or is she just going to turn a deaf ear to the House?

Mr. Speaker: That is a repetition of the question just asked. The hon. member for Saint John-Lancaster.

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HEALTH AND WELFARE

PROVISION OF PROGRAMS FOR CHILDREN WITH LEARNING DISABILITIES

Mr. Mike Landers (Saint John-Lancaster): Mr. Speaker, my question is to the Minister of National Health and Welfare.

In view of the fact that 1979 is the International Year of the Child, and as it appears that provincial governments have neglected many of their responsibilities in the field of education for special populations, has the minister given consideration to hosting a federal-provincial conference with a view to providing adequate facilities and programs for children with learning disabilities?

Some hon. Members: Hear, hear!

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, two years ago my department gave out a grant of approximately $15,000 to the Canadian Association for Children with Learning Disabilities to hold a national conference. We gave another amount of close to $45,000, if my memory serves me well, for them to carry on a study, the report of which is expected in the near future.

If the purpose of the question is to assist these children, the mechanism of a federal-provincial conference in a field which is clearly provincial will not help at all. I would suggest that the Canadian association could act as a pressure group and have the effect of putting pressure on the various provincial governments to help children with learning disabilities.

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EXTERNAL AFFAIRS

REPRESENTATIONS TO U.K. ON MOVE OF AIR CANADA OPERATIONS FROM HEATHROW TO GATWICK AIRPORT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, in the absence of the Secretary of State for External Affairs, I wish to direct my question to the right hon. Prime Minister. On January 24, the Secretary of State for External Affairs stated that Canada's High Commissioner had delivered a personal note to the British Foreign Office indicating Canada's disagreement with the apparent decision to move Air Canada's London operations from Heathrow to Gatwick.

In view of the confusion such a move will create for travellers leaving Halifax, for example, en route to European destinations, will the Prime Minister tell the House if he has followed up this matter and, if not, will he now take whatever action is possible to alert the British authorities, if necessary at the ministerial level, of the seriousness of this move as it applies to Canadian air travellers, especially businessmen flying out of Halifax, Nova Scotia?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the matter was taken up directly by me when I met with the British Prime Minister and his minister responsible for air transport when I went to London in early December.

* * *

THE CANADIAN ECONOMY

REQUEST FOR EXPLANATION OF FLOATING DOLLAR POLICY

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, would the Minister of Finance explain, because it puzzles me, why it is that in the course of pursuing the policy of a floating dollar and only making moves to ensure orderly marketing, some $5 billion more has been spent in buying Canadian dollars than in selling them? One would have thought that under the policy stated by the minister there would be a balance. Would the

minister explain this to me as simply as possible, so I will understand?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I have discussed this matter often. Many times I have said that we have had to borrow abroad, not only for the question of the exchange rate but to supplement the flow of capital into Canada, because some years ago the provinces, municipalities and other institutions were borrowing abroad. These organizations are not borrowing as much at this time because there is a great deal of liquidity in Canada. The savings rate for the third year in a row is at a record level.

Because we are having this balance of payments problem, we must maintain some inflow of capital. We have borrowed in order to achieve this, and as we are operating the exchange market through the Bank of Canada, of course, it is serving that purpose at the same time.

It is a very complex issue and I can understand why the hon. member would be confused when his leader talks about a phantom deficit that is appearing or disappearing from week to week or month to month and deals only with that aspect of the economy.

Mr. Stanfield: Mr. Speaker, I can still understand gobbledegook and evasion when I hear it. If I understood the minister correctly—and I hope he will correct me if I am wrong—he has just told me that because the provinces have not been borrowing as much as they usually do, the Government of Canada has felt it necessary to support the Canadian dollar.

Would the minister correct me if I am wrong and, if I am, would he explain to me why the purchase of $5 billion more, Canadian, than is being sold does not constitute support for our dollar to that extent?

Mr. Chrétien: Mr. Speaker, it is very simple. I said that Canada is in a poor balance of payments situation, we have had to maintain the flow of capital from abroad to Canada. In past years it was the provinces, municipalities and other institutions that were borrowing abroad, but now because there are enough savings in Canada and a great deal of liquidity, they are borrowing on the Canadian market and the federal government has decided to borrow abroad to supplement the flow of capital into Canada. I think it is very clear and simple.

Mr. Stanfield: Mr. Speaker, I would ask the minister—he has not made it perfectly clear—whether or not, despite all his talk about a floating dollar, the government has actively supported the Canadian dollar in the manner he outlined in the last two answers.

● (1500)

Mr. Chrétien: I have said many times that the governor of the Bank intervenes in the marketplace to maintain an orderly market. In all the currency that is floating in the world—Japan, Switzerland, Germany and the United States—all the governments are intervening to make sure that there is a normal market. It is very simple.

* * *

SPORTS

REASON CANADA GAMES PARTICIPANTS ASKED TO PROVIDE SOCIAL INSURANCE NUMBER

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I have a question for the Minister of State (Fitness and Amateur Sport) which relates to the Canada Games in Brandon. Could the minister explain to the House the rationale for the organizers of this event asking for the social insurance number of all participants?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, that would have been a decision of the organizing committee in Brandon. I presume it is for the same reason as is generally the case in sporting events. Numerous youngsters enter their names in different ways: perhaps they call themselves Bobby Smith, Robert Smith, Robert Smith, Jr., and so on. In order to keep very good track of who is at the games and where they are, they like to keep the numbers straight.

Mr. Hnatyshyn: A supplementary question, Mr. Speaker. Under the circumstances, has the minister an agreement with the Minister of National Revenue that if there is any confusion, that is the purpose for getting these numbers, so there can be no question about who these people are and where they live.

Has the minister arranged to have access to the computer of the Department of National Revenue in order to make sure that there is no mistake, or is this just another attempt to build up the social insurance number as an identifying number in government generally?

Mrs. Campagnolo: No, Mr. Speaker. I think I am quite safe in saying that the only concern we have is for the welfare of the young athletes who will be participating at Brandon and in assuring their parents that all their goods—their gloves, their shoes, their bags, all the things they take with them—will not be lost.

* * *

PRIVILEGE

MR. JARVIS—DISTRIBUTION OF UNITY TASK FORCE REPORT

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question of privilege relates to the availability, or lack of availability, to be more accurate, of the document tabled in this House on January 25, known as the report of the Task Force on Canadian Unity. I was able to confirm—and I apologize that I was only able to confirm this just before question period because there was some uncertainty about it—that one copy only of this document will be made available to members of parlia-

ment. I hasten to point out, however, that any Canadian can purchase the document for $3.50 from the Department of Supply and Services, as is the case with many government documents.

I make no comment about the content of the document. That was dealt with by the Prime Minister (Mr. Trudeau), the Leader of the Opposition (Mr. Clark) and others on the day it was tabled. I might say that the style and readability of the document is attractive to me, and I think it is to most members. I should like to deal with what led up to the document, however. The order in council establishing the terms of reference of the commission directs that the commissioners shall, among other things;

(c) contribute to the knowledge and general awareness of the public the initiatives and views of the commissioners concerning Canadian unity;

The first line of the report indicates that the task force was created:

—with a broad mandate to obtain and to publicize the views of Canadians regarding the state of their country—

I emphasize the word "publicize", Mr. Speaker.

Finally, if I may quote briefly from the Prime Minister's remarks on January 25, he said, as reported at page 2552 of *Hansard:*

I am confident the report will take its place as a document of the first importance—

Later, he had this to say:

I am sure that all members of the House, all members of the provincial legislatures, and many thousands of Canadians will want to read and reflect carefully on this report.

I find myself in the unusual position of agreeing, without reservation or qualification, with the Prime Minister in terms of that particular statement. We have a document about which we may conclude there is no doubt of its importance, no doubt of the mandate the commissioners had to publicize their findings and, finally, there is no doubt, on no less an authority than the Prime Minister, that thousands of Canadians want to read the report.

How does that affect my rights and privileges, given the situation where only one copy is available to me? First of all, I must ask myself why I have the rights and privileges in the first place, and why I share them with fellow members. I believe that part of the reason is to enable me to fulfil the responsibilities that the electorate has bestowed upon me. Whether one interprets those as a quasi-trust relationship, a particular political mandate or not, I believe I have certain responsibilities. Given that position I believe that certain rights and privileges are accorded me in order to fulfil those responsibilities. One tool—whether it be important or unimportant is purely subjective in the mind of a member—is documentary material.

I should like to refer to a situation which I believe to be completely analogous. It was not long ago that certain constitutional proposals were put before us. In relating that to my specific riding, I wish to inform you that in the usual course through an annual questionnaire I consult my constituents on various issues. I was told through my last questionnaire—and I suspected this to be the case—that 82 per cent of my constituents who replied did not regard the constitution as a high priority compared to other issues, namely, the economy. An even larger number, 85 per cent, indicated that they wanted more access to constitutional information. I do not consider those results contradictory, Mr. Speaker. In the minds of constituents, one reason for establishing the priority may be the lack of information. I interpreted those results in terms of my responsibilities to mean that I had an obligation to get as much information to my constituents on that issue as was possible.

As a result of this I—and I am sure many other members have done so—consulted the information service that provided the constitutional material. I received crates of material, Mr. Speaker. It was piled almost to the ceiling of my office. My staff was intimidated by the quantity. I did my best, and was able to distribute about 2,000 copies of this package which was composed of five documents. I am sure many other members were faced with the same situation. We were literally barricaded from our offices by the stacks of material.

Relating that case to the task force, I got only one copy of that report. Maybe I could accept the proposition that my rights and privileges can be changed, can be lessened or ameliorated, given certain other higher priorities. I think restraint of government spending is not a bad argument for changing certain rights and privileges from time to time, particularly in terms of documentary material. I can accept that. I may argue about whether the government should pick that particular document in order to exercise restraint, but I would accept it as a pretty good argument that it wants to cut costs.

How can I accept that it is the restraint on spending that prevents me from getting more than one copy of the unity report on the one hand when, on the other hand, I deal almost daily with the Canadian Unity Information office through the Department of the Secretary of State and in one package alone I received 41 documents? The initial package contained 41 individual documents—posters, pamphlets, booklets—now I can even get phonograph records. I can get them by the thousands and tens of thousands from this office, dealing with exactly the same issue as that dealt with by the task force.

When I can get tens of thousands of copies of gun control documents, tens of thousands of budget documents—even tens of thousands of the speeches of the Minister of Agriculture (Mr. Whelan)—

An hon. Member: Good grief!

Mr. Whelan: Those are information sheets.

Mr. Jarvis: If such documents are available to me in virtually unlimited copies then I simply cannot accept that I can only receive one copy of the very important document—

Mr. Speaker: Order, please. I cannot seriously disagree with the contention being put forward by the hon. member. I think

he and other hon. members realize that he probably does not have a question of privilege in the technical sense, but it is certainly a very interesting, if not a thoroughly valid grievance. I think the hon. member has raised a point that concerns all hon. members. The importance of the report of the Task Force on Canadian Unity, its quality, and the high level of interest in it, are things that would lead all hon. members to want to secure and distribute more copies, if that is at all possible. I am not able to say at the moment whose responsibility that ought to be on behalf of members.

I think the hon. member will understand that technically it is not a question of privilege, but it is certainly a very valid point to raise and one that ought to be pursued. If this is the area of authority of the Secretary of State (Mr. Roberts) I hope he will address the problem. I will make sure that the hon. member's remarks to this point are known. If he has any concluding remarks to add, perhaps he would do that now.

• (1510)

Mr. Jarvis: Mr. Speaker, to conclude it will take me less than 30 seconds. I came to you because I did not know where else to go in view of the information I had received before question period. If I have no other responsibility, do I not have the responsibility to see that reasonable number of copies of this document appear in the high schools of my riding? In that case, sir, I understand your ruling. I believe you indicated how you were about to rule. If you can use your offices in any way whatsoever to assist me in what I consider to be a serious shortcoming of this government, I would be very much obliged.

Mr. Maurice Harquail (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, as the Parliamentary Secretary to the Minister of Supply and Services I am pleased to have the opportunity to tell all hon. members that 16,000 copies have already been produced by the printing department of the Department of Supply and Services. There will be 65,000 additional copies printed immediately. Certainly hon. members will note that if they ask either the Minister of State for Federal-Provincial Relations (Mr. Reid) or the Minister of Supply and Services (Mr. De Bané) and follow the usual course, copies are readily available through the normal channels. I would suggest that to the hon. member rather than having him contradicting himself by saying he supports restraint on one hand yet, on the other hand, wanting everything printed in the thousands.

* * *

POINT OF ORDER

MR. HOGAN—REPLY BY PRIME MINISTER DURING QUESTION PERIOD

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I see the Prime Minister (Mr. Trudeau) has left his seat. My point of order concerns something I brought up last November. It was raised in the question period today by the hon. member for Central Nova (Mr. MacKay). The hon. member asked the Prime Minister why the job vacancy survey was cut out and if he had answered the CLC request. The Prime Minister misunderstanding, either deliberately or otherwise, replied concerning the distinction between the consumer price index that included food, and the consumer price index as it is usually known.

A distressing thing about being a member of parliament is that one knows people in the front seats can not only give inadequate answers but do not have to answer. The Prime Minister did not answer the question at all. The hon. member for Central Nova is absolutely correct. Through the cutbacks or through the restraint program there may have been things collected by Statistics Canada that are not vital. However, I cannot understand how the Prime Minister and the Minister of Finance (Mr. Chrétien) can make proper policy in this country without a job vacancy survey which is the only type of measurable demand of labour.

We know from a political point of view what has happened. The Minister of Employment and Immigration (Mr. Cullen) gave the game half away at some of the committee meetings on unemployment insurance because they were so embarrassed that there was only an average of 40,000 and 50,000 in job vacancies, including full time and part time jobs, over the last few years, while there were close to 1 million unemployed. Because of this the government decided that this was a good thing to cut out.

I would say, in relation to price indices, this is one of the biggest failings which shows how poor the policy-making is in this government by the Prime Minister and his finance department. They are responsible for all kinds of nonsense that the press runs across—

Mr. Speaker: Order, please. I think the hon. member has been seen on a point or order. He is now obviously getting into an attack on the positions taken by the ministers during the question period. If I were to recognize every member who wanted to do that every day following question period by way of a point of order, we would probably do very little else. Perhaps the hon. member might want to bring his remarks to a conclusion.

Mr. Hogan: Mr. Speaker, thank you for reminding me. I got carried away. I do not get a chance during question period to raise these things and debate them. But I would like to make this point. The wholesale price index was dropped as well. If hon. members take a look at what the Council of Economic Advisers to the United States said and look at the president's message on the economy they will see that the wholesale price index was shown there as an indicator of future inflation. We had one based upon a 1939 base. This should have been modernized. Now we have no wholesale price index being measured. How can policy be made that way, Mr. Speaker?

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, the hon. member for Cape Breton-East Richmond (Mr. Hogan) has put before the House most of what I wanted to say. While I appreciated receiving the answer from the Prime Minister

(Mr. Trudeau) it left a totally misleading effect on the House because it did not relate to the question I asked. I appreciated the answer to the question I did not ask.

I only wanted to ask—to save the question for later, perhaps some of his staff could take note of the question and let me have an answer as to why this most important statistical information, and as the hon. member has said it is the only systematic information about the demand side of the labour market, has apparently been abolished. In conclusion I would like to state it is little wonder, if this level of misinformation and misunderstanding exists over there, that we are in a position where we are spending approximately $1 billion per week while incurring about $1 billion per month deficit in this country. It is no wonder if that is the kind of information that emanates from the government benches.

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, in reply to the question of privilege raised I would like to say that StatsCan places very high priority on its labour surveys and I want to assure the House of that fact.

Secondly, the job survey that was done by Statistics Canada was found to be burdensome, not very useful and not used very often. In place of that StatsCan has assured labour organizations in Canada that it will continue to compile a CPI figure for them based upon the old basis, purely to assist in determining wage increases and COLA clauses in the years ahead. It was an agreement reached with the government and the labour organizations that the one would be more beneficial than the other.

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PRIVILEGE

MR. ALEXANDER—POST OFFICE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I just wanted to let you know how concerned we are on this side of the House. I want to speak on behalf of the thousands of postal workers who returned to work in light of some very adverse conditions at a particular time. I am sure, sir, you will remember we had a debate concerning the importance of maintaining services to which the Canadian people are entitled.

I was most disturbed when the Postmaster General (Mr. Lamontagne), in reply to a question put by the hon. member for Hamilton-Wentworth (Mr. Scott)—and I do not know how far he went—indicated there was some possibility of 31 odd members being subject to some disciplinary action when they will be appearing at a meeting which I understand will be held on February 5.

To recall, we were all very concerned because at that particular time a number of postal workers wanted to return to work. As a matter of fact it was so important that a question was posed to the then minister of justice. I want to get this on the record, sir, because the Postmaster General has indicated this type of harassment is none of his business, that it is an internal matter dealing with CUPW and their union members. Keeping this in mind, that this is a closed shop, if there is any disciplinary action which would mean they are relieved of their membership, you can well imagine that they will be out of work. These people went back to work with the understanding that they had the full force and clout of the government behind them.

In order to let you know what the government thinking was, which does call for some explanation in light of the answer—

Mr. Speaker: Order, please. The hon. member, despite the importance of his point, will have to persuade me that it has something to do with the order of business, that is to say, by way of a point of order—

Mr. Alexander: Mr. Speaker, with all respect—

Mr. Speaker: If the hon. member wants an opportunity to debate or take issue with answers given during the question period in a sense that they may contradict earlier answers or positions taken by the same minister or other ministers, surely that is not disorder. It has nothing to do with order in the proceedings in the House. The hon. member will have to persuade me first that he has a point of order before I can let him go on.

Mr. Alexander: Mr. Speaker, I am sorry that you did not hear me in the first instance, and I beg your indulgence. I did not say that I was rising on a point of order, I said I was rising on a question of privilege speaking on behalf of countless thousands who do not have the opportunity, and who have been misled by the then minister of justice.

● (1520)

Mr. Speaker: Order, please. If the hon. member has a question of privilege, he is in the same position. If he will persuade me as to what the question of privilege is, I will hear him further.

Mr. Alexander: After having been asked questions with regard to the protection of those who wanted to work, the then minister of justice said on October 23, as reported at page 344 of *Hansard:*

> Mr. Speaker, we have been, as has the Post Office, urging the return of these various employees to work, assuring them of every possible protection in the exercise of what is now their legal duty. That is the position we have been taking and will continue to take.

My question of privilege is that the Postmaster General has now abdicated that position. He has left these workers hung out on the line to dry, which is reprehensible, irresponsible, and calls for an answer. When we make statements in this House, the people believe what we say. They believe they will get the full force of this government to protect them from any harassment. We should stand by that commitment. That is my question of privilege. Whether Your Honour rules it out of order or not, I wanted to stand on behalf of countless thousands who take this government at its word.

Mr. Speaker: As the hon. member knows, when the hon. member talks about a question of privilege he is talking about a tightly defined question which relates to the procedures of the House in a very strict way. As he says, he may have a grievance on behalf of some postal workers in this country. If I am going to entertain that under the heading of a question of privilege, I will equally have to entertain all of those who perhaps disagree with other answers given on behalf of other groups in the course of the question period today or any other day. Surely the hon. member must realize that privilege relates to a very narrowly defined interference with his ability to function as a member, or of all members' ability to function, and a number of other very tightly defined areas in respect to contempt of the House and its proceedings. Surely, as he knows, I cannot find that his grievance today comes within that definition.

[*Translation*]

MR. LAVOIE—RECOGNITION BY CHAIR DURING QUESTION PERIOD

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question of privilege will be very brief, maybe the briefest in the history of parliament. It deals once again with the same matter, namely the oral question period. When I raised that question of privilege last week, I was told by the Chair that later that week or this week I would be informed whether or not there are precedents. Since I will be absent as of today on important business in my constituency—because my riding is just as important as parliament—would the Chair give me an answer on that matter?

* * *

[*English*]

POINT OF ORDER

MR. BEATTY—CROWN ASSETS DISPOSAL CORPORATION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a point of order relating to House business. In the course of the question period today, the Minister of Supply and Services (Mr. De Bané) indicated that he was prepared to move a motion to send the whole question of the disorder in the Crown Assets Disposal Corporation to the appropriate committee. I wonder whether the acting government House leader might indicate when such a motion will be moved in the House.

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, this whole matter will be taken under serious consideration. We will advise the hon. member further.

PRIVILEGE

MR. MacFARLANE—POST OFFICE

Mr. Gus MacFarlane (Parliamentary Secretary to Minister of State for Federal-Provincial Relations): Mr. Speaker, I feel I have a question of privilege. Other members have referred to the postal question. I believe that two thirds of them are in my constituency. My interpretation of the answer did not fit with theirs. I was assured that the Postmaster General (Mr. Lamontagne) would indeed prevent any harassment, that the internal matters he referred to were their dealings with their union and that, if they reported back, this would be looked at by the government.

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POINT OF ORDER

MR. McKINNON—PROCEEDINGS DURING DEBATE ON ADJOURNMENT MOTION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I rise on a brief point of order with regard to the proceedings on the adjournment motion last night. Anyone reading *Hansard* would certainly be puzzled as to what went on in the third question last night in the adjournment debate. Not only the title of the question I was asking makes very peculiar reading, but the answer of the parliamentary secretary bore no relation whatsoever to the question I asked. I have had some discussion with one of the officers at the table. We will have another adjournment debate in the near future and it is hoped we will get the right question and the right answer at the same time. I hope Your Honour will bear with us through what will be extensive amendments to *Hansard* in the near future.

Mr. Speaker: I am grateful the hon. member has brought this to my attention. I will certainly look into it.

ROUTINE PROCEEDINGS

[*English*]

CANADA COUNCIL ACT

MEASURE TO AMEND

Mr. Bob Wenman (Fraser Valley West) moved for leave to introduce Bill C-457, to amend the Canada Council Act (financial accountability).

Some hon. Members: Explain.

Mr. Wenman: Mr. Speaker, this act is in response to criticisms levelled against the Canada Council by the Auditor General, later substantiated in the public accounts committee and supported by Treasury Board, regarding the financial accountability of the council. At the moment the Canada Council is not a Crown agency.

This bill will provide for ministerial responsibility for the Canada Council, so far as constitutional restrictions on private member's initiatives will allow, in order to enable elected representatives to perform more effectively their duties of overseeing government expenditures intended to promote the arts. At the moment the council is a closed organization which refuses to divulge information to the arts community or parliament. As a Crown agency, hopefully responsive to a freedom of information act, the Canada Council will become more open.

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

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ENVIRONMENTAL IMPACT ASSESSMENT ACT

MANDATORY STUDY OF POTENTIAL HAZARDS ARISING FROM PROPOSED CONSTRUCTION PROJECTS

Mr. Bob Wenman (Fraser Valley West) moved for leave to introduce Bill C-458, to protect the Canadian environment by instituting mandatory impact assessment procedures prior to the construction of installations potentially damaging to the environment.

Some hon. Members: Explain.

Mr. Wenman: Mr. Speaker, an act to protect the Canadian environment by instituting mandatory impact assessment procedures prior to the construction of installations potentially damaging to the environment was written because of the failure of the government's environmental impact review process. I gave a full description of this bill and the need for it on January 31, 1977, regarding its provisions for freedom of information, public access to that information and restrictive time-frames that will add efficiency to the process of evaluation.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 682, 683, 865, 871 and 876.

[*Text*]

LIEFMANN DRUG

Question No. 682—**Mr. Herbert:**

1. Is the Health Protection Branch of the Department of National Health and Welfare presently studying the Liefmann drug for sufferers from acute rheumatoid arthritis?

[Mr. Wenman.]

2. Is the drug presently being tested in the United States?

3. Is the drug presently being manufactured in another country and has any application been received either to import the drug or to manufacture the drug in Canada?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned: 1. No. The study and development of new drugs is a function of the private sector.

2. Not to the knowledge of the United States Food and Drug Administration.

3. We have received information that a similar drug is being manufactured and used in the Dominican Republic. The Health Protection Branch of the Department has corresponded with the agents of the manufacturer, and has extended an open invitation to them to meet and discuss the requirements to establish the safety and effectiveness of the drug. The manufacturer has not yet submitted data to satisfy the safety and effectiveness requirements.

DREE—CANADA-NEW BRUNSWICK AGRICULTURAL DEVELOPMENT SUBSIDIARY AGREEMENT

Question No. 683—**Mr. Howie:**

For the fiscal year ended March 31, 1978, what amount was paid to farmers under the Canada-New Brunswick Agricultural Development Subsidiary Agreement as DREE's share to assist with (a) dairy production (b) field crops?

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: For the fiscal year 1977-78; (a) $222,800. (b) $505,150.

NATIONAL RESEARCH COUNCIL

Question No. 865—**Mr. Howie:**

Since April 1, 1978, what amount was spent to date on fermentation technology by the National Research Council and what amount was spent on extra mural contracts?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows: The total expenditure on fermentation technology amounted to $2,849,000 of which $1,682,000 was for extra mural expenditures.

Question No. 871—**Mr. Howie:**

Did the National Research Council acquire land for the Industrial Materials Research Institute?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows: No. The National Research Council in conjunction with the Department of Public Works is currently studying land purchase possibilities for the Industrial Materials Research Institute in the selected site area of the south shore close to Montreal.

NRC LABORATORIES

Question No. 876—**Mr. Howie:**

How many NRC laboratories are located (a) outside of Ottawa (b) in New Brunswick?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows: (a) 7. (b) 0.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if questions Nos. 276 and 411 could be made orders for returns, these returns would be tabled immediately.

[*Translation*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Is it the pleasure of the House that questions Nos. 276 and 411 be deemed to have been made orders for return?

Some hon. Members: Agreed.

[*Text*]

MONEY BORROWED

Question No. 276—**Mr. Lambert (Bellechasse):**

1. Did Canada borrow money between the fiscal years 1968-69 to 1978-79 and, if so (a) in what amount (b) what percentage of the amount was borrowed against Canada Savings Bonds?

2. Did Canada borrow money through chartered banks and, if so, in what amount?

3. Did Canada borrow money abroad and, if so (a) in what amount (b) from what countries (c) from which financial institutions (d) at what interest rate (e) for what period of time (f) what are the terms and conditions of reimbursement?

Return tabled.

CANADIAN ARMED FORCES

Question No. 411—**Mr. Schumacher:**

1. In each year 1970 to date, how many service men and/or women were serving in the Canadian Armed Forces and where were they located in Canada or abroad?

2. For the same years, how many men and/or women were (a) recruited (b) retired from the Forces and, in each case, how many were (i) bilingual (ii) unilingual English (iii) unilingual French?

3. For the same years, how many (a) promotions (b) demotions were made to (i) bilingual (ii) unilingual English (iii) unilingual French service men and/or women and from what ranks to what ranks were such promotions and demotions made?

4. For the same years, what amount was spent by, or on behalf of the Forces for advertising in (a) the French language (b) the English language (c) other languages and, in each case, what media was used?

Return tabled.

[*English*]

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

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

Some hon. Members: Agreed.

* * *

● (1530)

[*Translation*]

MOTIONS FOR PAPERS

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

CANADA REFERENDUM ACT

MEASURE TO PROVIDE FOR HOLDING OF REFERENDUMS ON CONSTITUTION

The House resumed from Tuesday, January 30, 1979, consideration of the motion of Mr. Lalonde (for Mr. Reid) that Bill C-9, respecting public referendums in Canada on questions relating to the Constitution of Canada, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Eudore Allard (Rimouski): Mr. Speaker, last night, when I called it ten o'clock, I was saying that Canadians generally do not want a referendum on the constitution, that generally they are not particularly concerned about the constitution. What the majority of Canadians want is a sound administration in which the unemployed can find work, the mother of a family can have something to put in the refrigerator, as I said last night. Mr. Speaker, let us not make a secret of the fact that, since 1976, since the Parti Québécois came into power, we have heard all sorts of statements on national unity from men in the public eye.

In the last three years, we have been able to see that such statements, instead of creating harmony and allowing citizens from the various parts of Canada to better understand one

another, has fostered discord between provincial and federal governments. From what I have seen in the last few months, there is a fight going on between the two main parties involved in this constitutional conflict, namely the Quebec premier and the Prime Minister of Canada (Mr. Trudeau). One of my fellow-citizens pointed out to me recently, speaking of the constitution and the deadlock and disagreements between the Quebec and central governments, that they reminded him of two roosters fighting over the same hen, not to meet the needs of and satisfy the hen, but to gratify their pride and vanity.

So, Mr. Speaker, those two, with their resounding statements, are only aggravating the debate. They are only stirring up more discord between the two governments instead of finding, or attempting to find, ways of appeasing those divergent views. No, Mr. Speaker, it is neither with referendums nor with meaningless speeches that we will find a way to get along together. It is very simply through considerable understanding, by making allowances, even many allowances, and by everyone doing his or her part that we can achieve harmony from the Pacific to the Atlantic.

Mr. Speaker, so long as the federal government is not assuming its responsibilities and placing monetary creations under the responsibility of the Bank of Canada instead of the chartered banks, we shall face problems of this nature. As a matter of fact, we shall only be able to live in harmony in Canada when we all have something to put on our table, when we all have the feeling to live in a beautiful and great country, and are sure that tomorrow will be full of promise for each and every one of us. So I hope, Mr. Speaker, that this government will at last assume its responsibilities and give us assurances in that regard.

Mr. Roch La Salle (Joliette): Mr. Speaker, I could certainly not refrain from making some comments in this debate on second reading of Bill C-9. I have already heard several speeches, and I may tell you immediately that I do not agree with everything I have heard in the House on this legislation.

Yesterday, I heard members from Quebec, and particularly the Minister of Communications (Mrs. Sauvé), who urged the hon. members of the House to support the government in its endeavour to acquire this repressive tool because she felt the danger which is upon us. I was sorry to see her lack of trust in the decision that Quebeckers will be making, and I think that she has acknowledged her party's failure to satisfy the legitimate aspirations of a province and meet with the objectives of a majority of Quebeckers as well as of all Canadians, who would want to see, in this constitutional reform, a chance to secure an interesting future for all concerned.

I also heard, one of our colleagues, a member from the NDP, say how surprised he was to see that only the member for Brome-Missisquoi (Mr. Grafftey), Quebec's representative, would vote against this bill. I think that our Social Credit colleagues are also aware of the dangers of this legislation and of the government's intentions in this regard, and it is because of these intentions, which concern us, of course, and which explain the present mistrust towards this government, that our Quebec colleagues from the Social Credit Party of Canada will, I think, vote against this legislation.

But I think we must first of all try to find the reason for introducing this national legislation on referenda. It is clear, as the Minister of Communications has indicated, that the federal government, in view of Quebec's upcoming referendum, considers it essentiel to pass an act to oppose a possible decision by a majority of Quebeckers. It is obvious that the government has failed, with its Quebec team, and because of this monumental failure in the eyes of Quebeckers, who had expected a government that would have better understood their aspirations, it is trying to give itself a tool which will only lead to the worse confrontation ever.

• (1540)

We, on this side of the House, are confident that with a philosophy that would be concerned with Canadian and Quebec interests as well and should there be a new government, it would be possible to bring about a constitutional reform and to discuss openly a new distribution of powers thus allowing a large majority of Quebeckers to understand that philosophy and the necessity for those changes. The referendum does not frighten us at all because we are confident that Quebeckers in their wisdom and with the necessary degree of flexibility, would reject that idea of breaking away from Canada provided a federal government would come up with those changes that are necessary to meet the natural aspirations not only of the people of Quebec but also the people in various regions and various provinces.

So why that referendum in Quebec in the first place? I think it is important to remind our colleagues in this House, and on both sides, that in this country, because there has been a lot of talk in the past few days about this legislation—and I intend as a Quebecker to remind them also of a few things that might not be the most pleasant—but I don't think I will be saying anything new if I talk about the frustrations that Francophones felt in this country, even long before the Parti Québécois came to power.

I am thinking, for example, of the bitter fight that was fought on a bilingual currency, on simultaneous translation, frustrations that members understand today, but how many Quebeckers came to this place without being able to be understood because there was no simultaneous translation. And bilingual currency. You will say it is symbolic. That was important years ago. Of course, things have improved and people demand more, and that is normal, Mr. Speaker, but those frustrations that were being felt by French-speaking minorities generated, particularly in Quebec, a loss of faith in the federal government and a feeling of alienation towards it.

And to think that all Canadians should have noticed long ago those concerns and that lack of credibility! Of course, the people in Quebec who were living in a vacuum had to put up with the situation, and their governments fought the federal government in the name of autonomy. In the last years, from 1950 to 1960, there was some improvement as some provincial ministers felt the need to co-operate with the then prime minister. But for practical purposes, let us go back to 1960 when Mr. Jean Lesage became leader in the province of Quebec as an Ottawa-trained federalist and sold the slogan "Maîtres chez nous".

At that time, as my colleagues from Quebec will remember, this contributed to develop a certain awareness among Quebeckers. And, of course, Mr. Lesage sold that slogan "Maîtres chez nous." He also made thousands of Quebeckers aware of that objective which was not one of separation but rather a certain concept of autonomy and nationalism which was very well received. But even Mr. Lesage did not succeed in awakening the Canadian nation as a whole and particularly his federal colleagues. In 1966, Mr. Johnson became Quebec premier and nobody will deny, I think, that Mr. Johnson, a true federalist, tried to promote the development of the Francophone bloc in Quebec while respecting the rights of the minority that had and still has its place in Quebec.

And Mr. Johnson in order to reawaken the public and make the federal government realize that changes were urgently needed had to launch the slogan "Equality or Independence". Certainly it was never in Mr. Johnson's mind, and I knew him well, to separate Canada. But he must have been really disappointed and frustrated to add the possibility of independence to his drive for equality. Mr. Johnson was after equal opportunities, equal language status, and also probably a sizeable number of jobs in the public service for Francophones I think the hon. member for Lévis (Mr. Guay) knows what I am referring to and he no doubt agreed on gradual entry into the public service of a percentage of the French-speaking population.

We all know the untimely death of Mr. Johnson led to a Liberal government under Mr. Bourassa coming to power in 1970. But then again Mr. Bourassa was compelled to refer to cultural sovereignty, something that gave Liberal members here a good laugh. I remember all the humiliations that Mr. Bourassa had to suffer because of this government even though they were political cousins. This government took credit for the election of Mr. Bourassa, and because of that he could not make any decisions for himself, everything was decided by this government.

Those are comments I heard on the part of Liberal members when I was myself sitting on the other side of the House. I remember hearing comments which nearly shocked me, Mr. Speaker. Because Mr. Bourassa was not supposed to control anything, those in the federal government had decided that he would be elected and so he was. But then he tried to promote the objective of cultural sovereignty. What could be more legitimate than to allow a bloc of more than five million French-speaking Canadians living on the same territory to have the tools they need for their cultural development? It seems to me that there was nothing shocking about it, but this government rejected many times the demands made by the Liberal government headed by Mr. Bourassa. What a lot of deceptions and betrayals! What is even worse, is that they were made by this team from Quebec, by the three doves and the 60 members of parliament from Quebec who arrived on the same side of the House in 1968. Mr. Speaker, what a dream for Quebeckers!

An hon. Member: In 1965!

Mr. La Salle: I am sorry, in 1965. This is even worse. From 1965 to 1979. We were promised a just society and the possibility for Quebec to develop and gain recognition within the constitution. But how many times, as I said earlier, have Quebeckers been disillusioned by the rejection of the representations made by the Quebec government, and this was not a separatist government, Mr. Speaker. How many humiliations did Mr. Bourassa and other Liberal ministers in Quebec suffer in the hands of their colleagues in Ottawa who refused to listen to the quite legitimate requests of Quebec. There is no doubt that it caused a certain alienation. When Mr. Bourassa felt the need to talk about bill 22 in Quebec, it led to the events of 1976 and the defeat of the Liberal government which was replaced by a government which advocates separation from Canada.

Perhaps we should ask ourselves, Mr. Speaker, why Quebeckers dismissed the Bourassa government in 1976. Perhaps we should ask ourselves why Quebec federal members here have not been more attentive and have not succeeded in bringing their own government to the required flexibility, that flexibility whose necessity we have acknowledged for a long time and which we will not hesitate to show. How little you know us if you think that we would give the provinces the very shirt off our back and that we are prepared to negotiate the partition of Canada. There is no question about that.

● (1550)

However, we are thinking about a reassessment of powers, a duplication of jobs and we believe in this. We also believe in the aspirations and needs of the various areas and provinces of Canada. We think federalism should undergo radical changes and the Pepin-Robarts task force realized that as well.

This bill is now introduced, because the government has failed to carry out its duty. Quebeckers cannot forget the fight of the "gens de l'air." Quebeckers cannot forget the betrayal about the sales tax, as they cannot forget the recent position of the government concerning Bill C-14. Those are the problems which Quebeckers have to face. With a team of some 60 members, we ought to be able to resolve those problems, Mr. Speaker.

We have failed to cater to the needs of the Quebec people within a reasonable period of time. We have failed to still the concerns of the French-speaking Canadians outside Quebec. We have also failed to dispel the regional disparities which

hurt not only the French-speaking community but also Canadians in several parts of the country.

On account of this government, we have had to establish a commission, after the Laurendeau-Dunton commission whose report was laid to rest at the bottom of a drawer even though it did cost plenty to the Canadian people, and they all know that! Today, we have the report of the Pepin-Robarts task force which will not prove too expensive if we are to make use of it, but the government has already shown some hesitation. The report makes it clear that not everything is going fine with federalism as we know it. That has been admitted.

Mr. Corbin: Where do you stand?

Mr. La Salle: I will not explain my position on the Pepin-Robarts report to the hon. member because he probably would not understand it.

Today we are studying Bill C-9 and I hope we will have the opportunity to discuss the conclusions of the report of the Task Force on Canadian Unity. The fact remains that the task force shows that the government made a big mistake with its policies, and this in the ten years I have been here.

Mr. Pinard: Explain!

Mr. La Salle: This deception in the minds of Canadians is due to the fact that there is a problem. The government thinks that it can put an end to the controversy on national unity by means of a national law on referenda. But this government does not understand that it will be unable to restore links, links of genuine friendship between all groups that make up this country unless it makes them all feel that they really participate in the life of the country, unless it gives them decent incomes, unless it makes the different groups that form the country respect each other.

All that is needed, Mr. Speaker, are changes in attitude, and openness of mind from both French and English-speaking Canadians and all ethnic groups. I suggest that we must demonstrate understanding. Realizing that it has failed the province of Quebec, that its great team has not succeeded in making room for Quebeckers within Canada, which would be acceptable to them, this government has introduced a referendum bill in the hope of offsetting the decision the people of Quebec will make in a few months from now.

Mr. Speaker, the important point is to agree to a change of attitude, commit ourselves to an early study of the Pepin-Roberts commission recommendations and implementation of the proposed reform, and let the provinces know just how much change is required to meet what I regard as fundamental needs and I am not thinking only of Quebec, as that province is not the only one which is dissatisfied with the present system.

There have been federal-provincial conferences which readily revealed disaffection and confrontation as between provinces, and their refusal to accept this government's attitude. So, Mr. Speaker, the lack of response with regard to the Canadian feeling, the lack of solution with respect to constitutional reform, the fact that our provincial partners have been kept waiting for too long and the fact that our provincial premiers have been continuously confronted and treated like school children, all that has caused division in this country.

The country is facing serious questions and Canadians are concerned. Now we are asked to provide parliament with a legislation which according to government members would be the solution to the national unity problem. But how blind can they be to believe that this legislation will solve the problem? How blind and how devoid of ideas can they be to ingenuously imagine that this legislation on referenda will solve the problem in the event of a favourable answer to the referendum on sovereignty association as advocated by the Parti Québécois, by the government of Quebec?

Yesterday, the Minister of Communications said in fact that she was concerned, and this was quite obvious, over the possibility that the Quebec government might win the referendum on its stated objective, and that we should pass this legislation as quickly as possible in order to provide the government with a tool, which would change nothing. Let Quebec decide. Do we really believe that by passing legislation on the referendum we would settle the issue? Absolutely not. I think it is high time we understood the feelings of Quebeckers and the frustrations of other provinces over other issues and that we try to resolve these problems. This national referendum bill is in my opinion nothing more than a political gadget.

The Prime Minister, in the wake of his fiasco and monumental failure on the political and economic fronts, has designed this tool to enhance his image as the great saviour of confederation. Actually he is responsible for and the originator of our present problems with his team riding his coattails and not daring to speak up. I was told yesterday that we were free to support the bill or not. That is a joke, Mr. Speaker, since we know fully well that no living body on the other side would dare stand up and speak against this legislation even if he felt like it. It was the same thing with the sales tax and with Bill C-14. We are all aware of the position, of the state of subjection of those people, and we are also aware of the deep frustrations of Quebeckers.

Today, as a Quebecker, I enumerate those frustrations we have suffered, when we are still waiting for a federal government which fails to understand what changes are needed in order to create the climate we want. Quebeckers are only too willing to find ways of improving our beautiful country of Canada. Nobody will have me say otherwise. We will immediately be accused of sleeping with the separatists. This is the argument of the weak, Mr. Speaker. They will even say, as they did last summer with regard to the sales tax, that we just wanted the vote of the Parti Québécois members, whereas the Liberal and UN leaders supported Mr. Parizeau's position. Of course, government members will keep very quiet about the report of the C. D. Howe Institute issued this morning which says that the Minister of Finance (Mr. Chrétien) should have copied some of the measures adopted by the Quebec minister of finance. I am not saying that, but the C. D. Howe Insitute did this morning, as reported in the press.

● (1600)

So, one can understand the incompetence shown by the Minister of Finance and the refusal and stubbornness of this government, despite the fact that it is led by a man who should understand Quebec. I certainly would not like to surrender such a tool to this government which will use it to further its political ends, and we all know that.

An hon. Member: Yes, precisely.

Mr. La Salle: This government is, of course, responsible for achieving an ideal that is mine, that of reshaping and modernizing this country and giving all Canadians the status that is rightfully theirs. Such is the responsibility of the government and it is with this ideal in mind that we intend to battle with this government, to fight against this legislation because it is not a solution; on the other hand, with that ideal in mind we shall attempt to convince the majority of Canadians. Whatever may be said on the other side, it remains that Canadians are now witnessing a shocking bankruptcy, both economical and political, and are becoming aware of the fact that our leader is bent on achieving flexibility and the participation of the provinces in the making of our great national decisions.

Those are changes which should be brought about, Mr. Speaker, and this is the way to achieve that national unity, that national harmony which I prefer because it is important, I think, that we begin admitting the existence of those groups who have different views, of those ethnic groups who came here to help us build this country and to harmonize those differences which are remarkable, legitimate and also natural. But both as a Quebecker and as a Canadian, I am looking forward to seeing in this House a government open and positive enough to put forward legislation which coincides with the reality of Canada. But this is not what they did, Mr. Speaker. They conceal the real reasons for introducing this piece of legislation. Thank God we shall not be taken in because we know this government's intentions, namely that they want to move around with that umbrella called Bill C-9 under which they may hide their deplorable performance and the feeling of frustration they have too often instilled all over the country.

In the circumstances, Mr. Speaker, I will repeat that we shall not be able to achieve national harmony by means of a piece of legislation. I would invite all my colleagues, indeed all Canadians and my colleagues opposite from Quebec to reflect on the historical background of our country. I mentioned the word frustration; well, there has been some frustration, and that is what has nurtured this loss of confidence in Quebec. And if 60 Quebeckers opposite are unable to find a solution in such a coercive measure, then they have failed in their duty. And if they are unable to bring into their caucus the changes that are expected by the population, I suggest they will not only have failed in their duty, but they will have betrayed the province they represent. On this point, I believe Quebeckers are about to pass the required verdict. In spite of the critics that have befallen some of the proposals we have made, in spite of those critics—

Mr. Pinard: What proposals?

Mr. La Salle: Anyone who knows about politics knows what I am talking about.

Mr. Guay: Name one of them, only one!

Mr. La Salle: Still, Mr. Speaker, when we deal with an objective which should be to restore the economy and not to campaign once again on Canadian unity, because what the Canadian people actually need is still bread and butter, and the hon. member for Lévis (Mr. Guay) knows how many unemployed there are in his own constituency and he is also going to wrap himself in this flag the Prime Minister (Mr. Trudeau) is trying to foist on us with this Bill C-9. They are hiding behind this smoke screen and are telling Canadians that only the Prime Minister can save Canada, when in fact he is the one and only person responsible for the present deteriorated climate. It must be said that Canada has never been more divided, and I will not hesitate to say it on every forum I will be offered in Quebec.

Never has such a large Quebec group been so weak in the Liberal caucus. Never has a 60-member group from Quebec betrayed so often the vital interests of the province of Quebec. This needs to be said, Mr. Speaker, and a bill is not going to solve those problems. So I say to this government which so often broke its word that it can expect to be judged and I hope Quebeckers will not miss the opportunity—we are all longing for that opportunity that will come hopefully very soon—to really see if they are not as intelligent as the rest. In the circumstances, I believe many members may feel a little worried and I can assure them that it is not this little bill that is going to solve the problem, and it is without hesitation that I will deny them that tool that hides the truth, Mr. Speaker, that tool devised here in this House by this government because it has failed in its fundamental duties since it came into power. Therefore, I will be proud to deny them that tool that is obviously devious.

Hon. Francis Fox (Argenteuil-Deux-Montagnes): It gives me great pleasure, of course, to take part in the debate on the referendum bill introduced by the Minister of Justice (Mr. Lalonde) and the Minister of State for Federal-Provincial Relations (Mr. Reid). I listened with great interest to the speech made earlier by the hon. member for Rimouski (Mr. Allard). I admired the serenity with which he managed to make his point. I listened with no less interest but perhaps a little less admiration to the kind of speech that was just made by the hon. member for Joliette (Mr. La Salle), and in his case serenity yielded naturally to passion, and we know what happens in such cases. The hon. member is quite prepared to make all sorts of accusations in this House, and right after making such irrational remarks, he does not hesitate to leave rather hastily.

Mr. Speaker, it is obvious that in a place like this honest and upright politicians can have different opinions on fundamental positions that may affect the future of their country. What is wrong, Mr. Speaker, is that we are told half-truths and given a

very personal interpretation of past history disguised as the truth. This is just about what he did—maybe not on purpose, maybe he simply got carried away in certain parts of his speech, but this is what he did. I would like to give a few examples of this.

He said for instance that for the government, the referendum bill is the answer to the national unity problem. No member of this House can seriously suggest that this bill was introduced for that reason. On the contrary, we have all seen, at least in the last ten years, the constitutional reform process introduced by the government, a whole series of federal-provincial conferences, and more recently, the introduction of a series of working papers prepared by the government starting with a very serious paper entitled "A time for action", as well as the establishment of the Pepin-Robarts task force which has just issued its report. The hon. member for Joliette knows quite well that it would be more honest to admit that this is not the answer of the government on the unity issue. He is well aware of the position of the Prime Minister (Mr. Trudeau), the leader of the government, to the effect that everything is negotiable during constitutional discussions, except for two requirements, that is the preservation of the Canadian federation—and I would like to know if the hon. member for Joliette agrees with the basic principle which says that the legislatures have certain responsibilities within their respective and largely independent jurisdictions—and we all know the second requirement, Mr. Speaker, which is that basic individual rights be included in a charter which will be enshrined in the Canadian constitution.

And on that score, the political group to which the hon. member belongs certainly has no lesson to teach people on this side of the House. He only has to ask the leaders of other Conservative parties in other provinces, the hon. Premier of Manitoba or the hon. Premier of Ontario, whether they are prepared to grant the minorities who speak the other official language in their provinces the same rights granted to the English-speaking minority in the province of Quebec. He should ask them that question before giving us a lecture here.

On this side, our position cannot be more specific and straightforward. We think that all Canadian citizens must enjoy the same fundamental rights across this country which is called Canada. If the hon. member cannot make the same statement, then he has no lesson to give to the people sitting on this side of the House. According to the hon. member, the Pepin-Robarts commission stated that over the years the Trudeau government made mistakes and that it criticized the government policy. He knows quite well and I could quote from the report where the Pepin-Robarts commission gave its unqualified support to the official language policy of this government. I found another point—not very clear I must say—in the passionate address of my friend from Joliette. He also referred to the Laurendeau-Dunton commission and stated that it had not been acted upon. In other words, that report tabled by the commissioners according to him would have simply been shelved. Here again, the hon. member for Joliette knows better than that. And I challenge him to prove me wrong. He was in this House when the government introduced the Official Languages Act which was a direct result of the Laurendeau-Dunton report.

The hon. member has the right, the privilege and even the duty to disagree with the government. But in expressing his opinions he does not have to misrepresent the stands put forward over the years by this side of the House. Besides, Mr. Speaker, we witness here one of the shortcomings of our parliamentary system, in the sense that all along opposition members took a negative stand, always taking the opposite view of that taken by the government.

Still there is a field where I think it would be extremely useful for hon. members to extend their policies and their views. As an example I take the field of external affairs where we do manage to show some sort of common front in the House; even if we do not agree on all points and all incidents that may occur from month to month and year to year, it clearly demonstrates that our position is quite similar. And, Mr. Speaker, unless federalist forces in Canada succeed in the short term in adopting a position acceptable to the majority of federalist forces, I think they will serve the interests of the Parti Québécois which knows full well that for electoral purposes the major political groups of the country will contradict one another. The only winners in that process, Mr. Speaker, are those who want to destroy rather than build the country. And I readily recognize that the hon. member for Joliette, in spite of the half truths he said in the House of Commons, is in fact a true Canadian who wants to build a country which will be even better than it is today, which will be all the more capable of answering the needs of regions and reflecting the duality of Canada.

Mr. Speaker, I had no intention to make a partisan or an impassioned speech this afternoon. Rather I intended to pursue one or two of the ideas voiced by the hon. member for Joliette. And I agree with him when he says that the rub of the debate is the phenomenon of alienation and the lack of confidence in our democratic institutions in Canada. I agree with him on this but I do entertain many reservations about his suggestions so far. I for one would like to concentrate on the question of the lack of confidence in our democratic institutions and the alienation of the people and see how the new legislation on referenda proposed by the Minister of Justice might help to a certain extent. I am not saying it is a cure-all, nobody says so, but it would help to strengthen our institutions.

Any question about the integration of the principle of referendums in our system of parliamentary democracy requires that one look fully into the meaning of the concept of democracy in a modern society. It also requires a certain assessment of the state of that democracy. The very concept of democracy, as everyone knows, has changed with the times. The concept of democracy in a modern society has certainly evolved a great deal since antiquity when it was considered as an active, continuing, personal and direct participation of the citizens in the political decision-making process. Representa-

tive democracy has replaced direct democracy, if it ever actually existed. This representative democracy is now generally recognized as the only true practical form of political government. It means that the people agree to entrust their sovereignty to a selected group of individuals to whom they have confered the mandate of governing for a limited period of time.

Today, the principle of representative democracy is widely supported by the people. Yet, according to certain studies, it seems that this support is becoming less unconditional. Some feel that a shift is taking place whereby our institutions are perceived in some circles as becoming less and less democratic. In my opinion, it is true that our democracies are experiencing problems the importance of which must not be underestimated. Some years ago, a research group submitted a report on the governability of modern democracies to the trilateral commission. The title of that report was "The Crisis of Democracy". And in their account of the situation, the authors stressed the potential dangers that threaten democratic governments. I should like, Mr. Speaker, to quote one or two extracts from that document. The authors, for instance, quoted a well-known German politician, Mr. Willy Brandt, who at the time of his resignation or shortly after, said the following:

● (1610)

[*English*]

Western Europe has only 20 or 30 more years of democracy left in it; after that it will slide, engineless and rudderless, under the surrounding sea of dictatorship, and whether the dictation comes from a politburo or a junta will not make that much difference.

[*Translation*]

Closer to home, Mr. Léon Dion, in his book *La société et la politique, la vie des groupes,* wrote the following:

> It has never been easy to govern. Leaders and governments nowadays are just as good and perhaps even better than they were before. Their task is often even more demanding, as the paths of democracy are more difficult today. We are entering an era where literally everything is in question. This is a challenge and we must meet it.

These views may seem pessimistic although they want to be realistic, but they bring the problem in a perspective of urgency. We have to ask ourselves questions about the condition of our democracies, either here in Canada or elsewhere, about their viability in the future, and about the means which would ensure their continuity in the future. In the case of Canada, it is up to us and we cannot shirk the problem.

Some people will insist that there is no such emergency at least as far as our country is concerned. They will point to the strong participation rate of the electorate—80 per cent—a typically Canadian phenomenon. It seems to me that if we want to assess correctly the health of our democracy we must examine the question further. One of the revealing factors in that respect is the degree of political alienation of a society. In the case of Canada, in spite of some studies made in that area, this phenomenon is still not very well known. However, the few indications there are point to a few conclusions. Political alienation must be examined at two different levels, the individual and the group.

As far as the individual is concerned, a number of studies in Canada clearly show that people are indifferent to politics. Here in parliament we see only people for whom political life is everything. This is the centre of political life in this country, the place where we hear criticism, the place where major political decisions are taken but, of course, that high level of interest is not found everywhere across the land. The indifference rate is generally estimated at 50 per cent of the people, and more troubling still, those studies also point to a definite feeling of being powerless in the face of politics. Some 45 per cent of the people believe they have little or no influence on political events. In a democratic society, these results deserve to be closely studied by those who are interested in political life in a democratic context.

Although it is difficult to statistically evaluate how these attitudes change in time, it appears that despite higher schooling, which is usually recognized as a factor of increasing participation in political life, a significant part of the people remain indifferent to politics. If we look at political knowledge among Canadians, results confirm the foregoing conclusions. We are faced with a population that has little concern for politics unless it affects their daily lives. For instance, Mr. Speaker, three months after the general election in 1965, a Canadian survey showed that 25 per cent of the people could not identify their member of parliament, 15 per cent could not identify his party and, more important, 58 per cent said they had read or heard nothing about him.

Another survey among 1,000 university students showed in 1973 that while 98 per cent could identify the prime minister and the governor general, 3 per cent only could identify the Speaker of the House of Commons. And we all know, Mr. Speaker, that according to a fairly recent Gallup poll, very few Canadians can even name one federal cabinet minister. I quote, in English, from the October 28, 1978 Gallup report.

● (1620)

[*English*]

When Canadians were asked recently to name a cabinet member in Ottawa, and to identify his responsibility, 33 per cent were able to supply this information correctly. Another 14 per cent recalled the name of a cabinet minister but were unable to identify or incorrectly identified his responsibility. This compares to 19 per cent who named someone other than a present-day cabinet minister, and to 34 per cent who would not venture a guess.

[*Translation*]

It would be possible, Mr. Speaker, to support these facts with other examples. Of course, some people will now say that democracy is protected by the existence of a solid and well-established party system which guarantees the possibility of enlightened choice. Unfortunately, once again we cannot be too optimistic. More and more surveys show a continuous erosion of the party identification phenomenon. Thus people are less and less inclined to identify themselves with a political

party. The allegiance of individuals has become short-lived, and now, from election to election, more and more citizens change their allegiance, going from one party to the other. I refer now to a survey sponsored by the Gallup firm which was published in *La Presse* of January 16, 1979. We read the following comment:

At the beginning of December, a Gallup poll showed that 21 per cent of Canadians are tied to a political party; 7 per cent are very committed; 14 per cent, more or less. Another 22 per cent of the adult population can be classified as sympathizing. Most voters, 55 per cent, reject any connection with a political party.

As for the phenomenon of political alienation, at the community level in Canada it is especially felt through regionalism and the task force directed by Messrs. Pepin and Robarts has given a detailed description of that phenomenon. We often hear about the alienation of western Canada toward eastern Canada. We should also include among those phenomena of political alienation the separatist movement in Quebec and probably also the isolation feeling in the Atlantic provinces. In each case there is a deep feeling of under-representation in relation to the real weight and such feeling leads to the disparagement of political institutions in Canada.

Needless to say, that political alienation does exert strong pressures on our institutions. Indeed those pressures are so strong that they even threaten the survival of Canada. Both kinds of political alienation to which we have just referred put Canada in a paradoxical situation which is even dangerous in a certain sense. On the one hand, we are witnessing a lack of political interest and involvement on the part of an important sector of the Canadian population, and as a result a considerable loss of support for our political institutions. Here again, Messrs. Pepin and Robarts pointed out this phenomenon in a very interesting fashion. On the other hand, increasing pressures are being brought to bear upon those very same institutions, even in Canada. In this connection, I should like to quote from the findings of the trilateral commission in its book "The Crisis of Democracy" which deals with Canada. One can read these conclusions, and I quote:

[*English*]

As identified by this colloquium, Canada's foremost governability problems can be regarded as falling within four major areas: the questionable ability of the evolving political institutions to aggregate an increasing volume of demands efficiently and at the same time to retain their accountability to the public; the increasing rhetoric/performance gap; the decline of a 'public philosophy'; and the problem of communications. Several characteristics of the Canadian system were found actually to enhance Canada's governability, that is, its parliamentary and federal structures of government, a reasonable degree of decentralization of authority and the absence of class-based political parties. However, a general consensus emerged that Canada's governability problems (as redefined) while not insoluble are real and deserve urgent attention and remedial action.

[*Translation*]

In short, we are being told that our political system has been well served by political decentralization by our parliamentary system and by the absence of events generating a loss of confidence, such as the one the Americans lived through, which culminated in the removal from office of the President of the United States.

[Mr. Fox.]

However, those characteristics, and others as well, are not solutions to the problem; at the very most, they could serve as checks on a growing tendency. It is therefore imperative for us to consider what remedial measures can prevent that tendency from becoming a permanent reality and completely undermining our political system.

We are now discussing the possibility of making the referendum one of our political institutions. We should take advantage of this opportunity to think of that instrument in terms of the revalorization of our parliamentary democracy. Indeed that is the aspect I would like to deal with in the rest of my remarks.

In my opinion, the referendum can constitute a positive means in the context of a more extensive democratization of our institutions. It might enable us to bring closer the government and the people, a move which our system seems to need badly.

As we all know, referendums are used in numerous countries. One thinks immediately of Switzerland, the United States, France and now, of course, Great Britain. In each case it would be possible to show that the institutionalization of this means of popular consultation was brought about by a clearly felt need to associate the people with some very important political decisions. In all cases representative democracy was associated with the concept of direct participation by the people in the decision-making process. Depending on the countries and the needs involved, the use of the referendum has developed unevenly. Some, like the United States, have deemed it advisable to make an extensive use of it, while others have been satisfied with a more restricted use.

● (1630)

Some hon. members have said that the idea of a referendum may not be consistent with our British-type parliamentarianism. In my opinion, they are wrong. However, although there may not be an opposition between the two ideas, I think a certain incompatibility may develop in connection with the use of the referendum. For instance, an excessive use of it would not be in agreement with the principles of a British-type parliamentarianism which are essentially based on the sovereignty of parliament.

It goes without saying that like any other instruments, referenda offer not only advantages, and that an abuse of them may bring about disadvantages which may exceed by far their advantages. It is necessary to realize that a referendum will not remedy all the ills of our democracy. Although it is an extremely useful tool of democracy, it will not solve the problem of political division. As far as Canada is concerned, we must never lose sight of this principle. An excessive use of referenda can also result in a downgrading of the role of politicians and undermine the principles of representative

democracy. The most positive aspect of referenda is that it provides an opportunity for grass root involvement in major political decisions requiring a long term commitment. By the same token, it can bring about a sense of belonging in the national community by enhancing the value of political institutions and creating a feeling of genuine participation in the hearts and minds of ordinary citizens. As far as upgrading the image of our political institutions is concerned, I would like to make a suggestion regarding Bill C-9.

Pursuant to clause 1 of the bill only the governor in council may direct the Chief Electoral Officer to issue writs for a referendum. No other person, group or agency has this authority. Accordingly, the government has decided on a government-initiated referendum, implicitly rejecting a parliament or people-initiated referendum. I think that the popular referendum used in some U.S. states does not suit parliamentary democracy and that its serious disadvantages would prevent its use in our parliamentary context.

However, I am not at all convinced, Mr. Speaker, that the same arguments can apply to the parliamentary referendum. It is a principle of government which is recognized in several countries, in Denmark for example. The parliamentary referendum could revitalize parliamentary institutions. The conditions would be subject to discussion and we could easily conceive that could come before the House in committee of the whole following a proposal by two-thirds of the hon. members. This procedure is not at all incompatible with the government-initiated referendum and it would favour the development of a more important role both for the elected representatives and for the people.

Finally, Mr. Speaker, I would like to say that in the next few months, perhaps particularly in the debates on matters affecting national unity, we could try to move further and further away from those *ad hominem* attacks which make perhaps the fame of what happens in the House of Commons to take a much more positive attitude and to demonstrate clearly and precisely our positions and to try to sell them to the Canadian people not because they are taken by a particular individual but rather because they meet the deep aspirations of the population and because they will bring about changes which will benefit the people who elected us. Furthermore, the basic principle which should never be left aside is that individuals should come before governments, that governments are here to serve the individuals and not the other way round.

Mr. René Matte (Champlain): Mr. Speaker, the bill we are now considering seems to me to be an ill-advised response to a malicious expectation stemming from prejudice. As a matter of fact, Mr. Speaker, if the present debate had been held five, eight or ten years ago, this bill could have been regarded as a reflection of the government's intentions to provide an opportunity for the grass-root participation in government's decisions.

However, even though we advocated, ten years ago, the use of referenda in order to know exactly how Canadians felt about, say the abolition of capital punishment or the legalization of abortion, the whole question was taboo, Mr. Speaker. The government was not the least interested in introducing a bill aiming at popular consultations. How come, then, that today we are considering a legislation dealing with referenda? Nobody can deny that this bill is the result of the government's reaction to the policies and, above all, the expressed philosophy of a provincial government.

And now they try to prove to me that we are dealing with something else; it is a shame to see a government act like that, a government about which the Prime Minister (Mr. Trudeau) himself has said that it is merely a local government in a huge country, only one of ten provinces or of 12 provinces if we include the Northwest Territories and the Yukon. That is what the Prime Minister thinks. And yet he maintains a contradictory and unhealthy attitude towards the manoeuvres of a government which a growing number of people in Quebec seem to approve, at least for the administration it provides.

Mr. Speaker, this preamble is to show that we have to do with a controversy that the present government and especially the Prime Minister (Mr. Trudeau) want to win and that they are not concerned about finding adequate solutions to the national problems facing this country. Rather it is for the Prime Minister a matter of winning a controversy that he triggered decades ago; indeed some 20, 25 years ago the Prime Minister was already talking about these issues with René Lévesque and Gérard Pelletier and others and at that time the Prime Minister was already being stubborn the way he is today. This lack of intellectual evolution on the part of a man who is now leading the country means that Canada now faces a period of insecurity and that it is a little hard today for a Canadian to go abroad and see how his country is being ridiculed, at least as far as the dollar is concerned. A determination to resort to confrontation rather than seek fair and equitable solutions is the trademark of the right hon. Prime Minister and his government. Where does such an attitude stem from? Merely from its refusal to accept reality. The government is determined to ignore reality not only on the Quebec political scene but all over Canada nor does it make any reasonable effort to seek equitable solutions.

● (1640)

Mr. Speaker, when the government put forward so-called solutions to the constitutional problems of Canada, by adopting the Official Languages Act, and introducing a motion aiming at upgrading the status of French, I voted against it mainly because I felt that these were not adequate solutions, and now a few years later, the House must recognize that I was right. For what is the result of this band-aid designed by this government? It led to the decision, effective April 1, 1979, to reduce by over 33 per cent the number of civil servants responsible for the promotion of bilingualism in Canada. A cut

of over one-third; it was considered they were not important any longer.

On the other hand the top brass in the federal government has not significantly changed in number. And in the higher spheres of that administration, we find only 2 per cent for example in relation to research, with this figure increasing to 5 per cent and 6 per cent in some departments, and reaching 7 per cent and 8 per cent in others. Those are the opportunities for Francophones within that federal administration. On the whole, Francophone public servants account for about 25 per cent.

Mr. Speaker, I said then and I repeat it today: Even if the whole federal administration became bilingual, if French Canadians or Quebeckers do not take full and equal part in the administration of this country, absolutely nothing would have been solved. It is not a question of language. It is above all a question of participation. That is why the right hon. Prime Minister and the government would never find the solution in bilingualism. It is not there. It has been put to the test and we see today the results of such a policy. Mr. Speaker, I already said and I repeat once again because it is so true that the problem in this country is not related to a question of language, but amounts to a question of nationality, a question of participation with pride and dignity, on equal terms, in the development and the emancipation of this country.

That is what Quebeckers want. They want nothing less than equality. Equality does not means 25 per cent representation in the federal administration.

Equality does not mean saying in English or in French how much one owes the income tax people. Equality means working together to create the things we must manage jointly. It is as simple as that. Even today, Mr. Speaker, although the Irish people have decided to use the English language as their medium, I am sure they would resent being called Englishmen.

I am saying this to show the difference between national participation as a people and language difference. Those are two things quite different. And this is why the government failed. They forgot that the problem to be solved in Canada, in the first place at least, was not a language problem, but a nationality problem.

Quebeckers, having acquired an objective awareness of their strength and potential, never wanted to infringe upon the rights or privileges enjoyed by the rest of the country; they simply decided to be themselves and to offer their wholehearted co-operation to the rest of the country, so that the latter could truly develop. Our objectives should be aimed in that direction. There should be no more reference to destroying the country because a part of the country wants to rebuild it.

There is a world of difference between rebuilding a country to fit its inhabitants, and destroying it. But whenever someone rises to defend the particular interests of his nationality or his people, he is immediately branded a separatist, and this does away with any difference between that and the opportunity to improve this country, on the basis of separate entities that are nonetheless willing to closely co-operate to promote everyone's well-being.

It is utterly ridiculous and irrational to think we will solve the Canadian problem with references to opportunities for bilingualism in B.C. It is just as ridiculous and irrational to think we will solve that problem with opportunities for total bilingualism in the Trois-Rivières area. Mr. Speaker, let us be serious. We must see things as they are. This is the reason why today, if we want to build a Canada that will really fit our respective aims as Anglophones or Francophones, we must be objective not to fall into animosity and bickering. Unfortunately, there are no other words to qualify this legislation.

Yesterday, I listened to the comments made by the Minister of Communications (Mrs. Sauvé). Hers was a vindictive contribution glowing with animosity, if not hatred, and she said things that were untrue if not clearly irresponsible. I feel it is unworthy of someone from the cabinet to find nothing better, in defence of a piece of legislation put forward by the government, than politicking and electioneering against a certain party in a certain province.

● (1650)

In her speech, the minister, for instance, stated that the present premier of Quebec was purposely trying to foster confusion. She went on and on along this line, talking about confusion as if this whole bill was not itself adding to the present confusion. It will be absolutely indescribable and it can create such a turmoil that it could end up jeopardizing peace and order in our country. There is confusion, indeed. This government is looking for it and is creating it. The minister said, for instance, that the Premier of Quebec was confused and dishonest when he was pretending he was following the same line as his predecessors.

Mr. Speaker, I still remember in 1960 and 1962 Mr. Lesage's fantastic team in Quebec, a team which had been elected because it went much further than the Duplessis government had ever gone before on the road to autonomy. They went as far as using, in 1962, the slogan "Masters at home" which became the leitmotiv of the Liberals in Quebec. In 1966, Mr. Daniel Johnson following the same line went even further and declared: "What Quebec wants is equality and if ever Ottawa denies us this equality, we will have to consider independence." Everybody knows it, and why is it that the hon. Minister of Communications does not know it? All this led to the victory of the Parti Québécois in 1976. Their objective was to reshape and restructure the country so that Quebeckers would have absolute control in all areas under their jurisdiction and be able to influence the development of their province and work toward its cultural and social fulfilment. With this objective in mind, they say that this country must be reinvented and that its component parts should be

given sovereignty within an association which will create a new Canada, truly reflecting the national realities of the country.

What is so scandalous about it? What is so scandalous when one knows, Mr. Speaker, that we are the thirteenth generation descending from the French settlers who came here in Canada? I do not have any complex with respect to anyone whatsoever. I feel at home in Quebec, I feel at home in this country and at one point, without overriding anyone's rights, I declare that I want 100 per cent respect as I want to fully respect my own partners and to blame me for that, Mr. Speaker, would be just the same as to blame me for loving my own mother and my own father, because if I am a Quebecker today, Mr. Speaker, it is because I was born in Saint-Casimir, in the riding of Champlain, and that is that. If I had been born in Moscow, I would be a Russian; if I had been born in Rome, I would be an Italian, if I had been born in British Columbia, I would be very pleased, I would be a good English-speaking Canadian. Mr. Speaker, let us face the facts. Let us stop making the situation even more complicated in prejudging what is going to happen and looking for evil intentions and objectives which exist only in the mind of some poor frustrated people.

And we have before us a frustrated government that, on November 15, 1976, lost its head and managed to devalue our Canadian dollar from $1 to 82 or 83 cents compared to the U.S. dollar. A government that, for the sake of revenge, caused a flight of capital not only in the province of Quebec but throughout Canada, a mean and small government that tries to destroy our country when we only wish to establish harmony in Canada.

Mr. Speaker, as long as this government will speak with so much hatred and animosity, which is totally inadmissible from a government, from people who should be above all partisanship, there will be confusion like the minister said. We might laugh at the cat and mouse game the government is playing if the consequences were not so sad. In fact, we are studying a bill in case something should happen in Quebec. We never know! What if Quebeckers answer yes instead of no? Just in case the province of Quebec answers yes, we are drafting legislation in such a way that we too will answer yes just to oppose the other government. We are asked to take part in those childish manoeuvres and to give our support to this bill.

I understand perfectly the members of the official opposition who are against it as well as those of the Social Credit party. Mr. Speaker, it is perfectly normal. Why do they want us to take part in the four-ring circus? Why do they want us to play that little game where they say: In case they found the answer we are going to take it from them? Mr. Speaker, it is terrible. I understand my friends opposite who wish to expedite the matter. But, Mr. Speaker, I did not want to let this go by without making those few remarks and now I am going to give objective evidence of what I am saying.

A brief analysis of the report of the Pepin-Robarts commission, Mr. Speaker, forces us once again to realize that the personalities appointed by the government itself—although admittedly it had some difficulty in finding them, especially in Quebec—after making a survey of the situation all across Canada could do nothing but add to the objective conclusions one must inevitably come to. But, here again, what was the reaction of the Prime Minister? He immediately said his friend, Mr. Pepin, was naive; he said so right off the bat, without thinking—

An hon. Member: It's true.

Mr. Matte: Someone across the way says it is true. See what I mean! So, the personalities appointed by this government come to the obvious conclusions. That task force was appointed to—It would appear that the Prime Minister wanted the commissioners to support his own views. In other words, the task force would have been appointed only to satisfy the egotistical wish of the Prime Minister to see a supposedly objective commission come to the same conclusions as he.

● (1700)

Since this is impossible since the Prime Minister and the present government are the only ones to support a position which is quite close to an absolute status quo which is totally inadequate for the solutions needed at this time. These public figures, Mr. Speaker, recognized the facts in their objective report, and as long as the members opposite will not recognize them as well, they will not be able to come up with a solution. The facts must first be acknowledged. With regard to confederation, the commissioners state on page 16:

"Ottawa," as we found on our tour, is for many Canadians synonymous with all that is to be deplored about modern government—a remote, shambling bureaucracy that exacts tribute from its subjects and gives little in return.

Mr. Speaker the team we have had in front of us for ten years now has managed to create that image of the federal government across the country, not only in Quebec. Here is the saviour of Canadian unity. They are the ones who put such ideas in the minds of people.

Mr. Speaker, as things stand, referendums will not settle anything. And if the Quebec government has already made a mistake by calling for a referendum, and I say "if", why is this government trying to do better by wanting a referendum also?

Allow me to quote once again the first part of the report where the commissioners say this:

The election of the Parti Québécois, and all that it entails, has compelled or allowed Canadians to confront problems which they would have been obliged to face sooner or later. It would be foolish for Canadians to think of the challenge which lies ahead solely in terms of the forthcoming referendum on the independence of Quebec. A victory for the federalist cause in the referendum will accomplish little, if no effort is made to address the sources of discontent which have occasioned it.

Mr. Speaker, those proposals go clearly against this stupid and ridiculous piece of legislation which only show the petti-

ness and narrow-mindedness of its drafters. Mr. Speaker, if the commissioners reached such conclusions and dared state them, it must be kept in mind that normally they are prejudiced in favour of the government's position and in spite of this, faced with the facts and the plain truth, they are compelled, for the sake of intellectual honesty, to bring down such conclusions.

I did not have to wait for the task force report to say what I am saying now, because obviously I have always tried to reflect in the House the Quebec reality as it is. I repeat once more that on the night of November 15, 1976, there was at least one federal member who was not surprised, and it was the member for Champlain. I knew that the pride and dignity of an entire people could not be confined and restricted indefinitely. And if this pride and dignity is now ready to take a concrete form in a new Canadian context, what is wrong with that?

Let us now talk in a positive way instead of always talking negatively and let us start talking about restructuring this country. Throughout the report, the commissioners not only refer to cultural and ethnic duality, but they also deal at length with regionalisms.

Mr. Speaker, I wrote a book on that because it seems so obvious to me that in this country you have to take into account the geographical distribution, demographic entities as such and the economic interests that stem from it. It is quite obvious that this country is made up of five separate regions that could be associated in a new Canada. I think that suggestion I have been making for a long time is borne out in that report and I believe we should not be afraid of identifying the real sores to find the real solutions. As I say, and I want to be clear on that, I do not want to be 25 per cent or 33⅓ per cent of Canada.

What Quebeckers and French Canadians want is just to be equal in this country. And if my friends opposite are satisfied with being nonentities, I, Mr. Speaker, will not accept anything short of total equality in this country without wanting to take anything away from anyone. Only by moving toward that objective of equality and thinking about restructuring this country, always in that broad dimension, but within geographical, demographic and economic limitations shall we be able to find proper solutions, I am sure. But if from the outset you reject any solution that closely or remotely resembles the one advocated at this time by a ruling government, that is just electioneering. We should be responsible and decent enough to avoid displaying—at least in this House—that cheap electioneering which is the cause of many problems.

Mr. Speaker, I conclude by saying that it is increasingly urgent and essential to have a positive attitude when considering the future of this country. The government would have to change entirely its attitude by withdrawing such a bill that only proves his animosity, and shows his intention to fight a government with counteracting legislation. If you want to fight an election campaign against the Parti Québécois, then wait until an election is called in Quebec, and then go out and fight that government. It is despicable to use this parliament as a tool for vengeance. As worthy members of this House we should not take advantage of our power to legislate to go against the democratic will of any part of this country which, in this case, happens to be a people. That is just being mean, and the culprits are defeating their own purpose.

Yesterday I received telephone calls from people in federal political parties in Quebec and they were simply telling me: "We have just realized you were right". There is nothing to be done in this country. Other solutions have to be found if the Liberals are there. Therefore, we must get rid of these people in the next election and replace them with more responsible people who will know how to see the facts as they are in order to reach the goals and ideals of every Canadian. Therefore it is with this approach and these intentions that we should legislate in this House. And I feel insulted, Mr. Speaker, to think that I am being asked to co-operate and give my consent to a bill which only serves to satisfy some petty resentment. I simply wanted today to make known the views of my constituents and, I am sure, of the vast majority of Quebeckers who refuse to be insulted again in this way and who had enough of these methods. I hope they will have the opportunity to show it pretty soon in an election.

Mr. Ian Watson (Laprairie): Mr. Speaker, I decided to take part in this debate when on Monday I listened to what the Leader of the Opposition (Mr. Clark) said about Bill C-9 respecting public referendums in Canada on questions relating to the Constitution of Canada. In a speech made in the best traditions of the right hon. member for Prince Albert (Mr. Diefenbaker), the Leader of the Opposition acted as if this bill contained a series of threats which, I can tell you, are all in his imagination. I suspect he expressed his so-called concerns with the very serious objective of creating entirely unjustified fears among the Canadian people.

The Leader of the Opposition mentioned that with this bill the federal government would be entitled to hold referenda concerning aboriginal rights, religious rights and education because one way or another these matters are included in our constitution. He omitted to say that before any subject concerning the constitution can become the subject of a referendum, we would need a resolution approved by both Houses of parliament after a debate of 40 hours or three weeks, and he also omitted to say that the government is not bound by the results of the referendum and that these subjects are protected by the present constitution and will be even better protected by the constitutional proposals introduced recently by the Prime Minister.

There is also the Bill of Rights passed by parliament in 1960, and finally, the Leader of the Opposition neglected to say that we can always appeal to our judiciary system. He paraded a lot of ghosts to justify his opposition to this bill and

to confuse the population. Of course we hope we will not have to use this bill. We hope we will not have to use this tool which, in the hands of the Prime Minister, could counter a false or antidemocratic referendum in Quebec or verify its honesty. The Prime Minister also said: "I do not want the referendum to be at the centre of our action, it is only a counteroffensive tool."

● (1710)

[*English*]

Last Monday the Leader of the Opposition (Mr. Clark) brought out a list of ghosts and goblins, brandishing the spectre of referendums on educational and religious rights, and rights of expression, implying that somehow the use of this bill could conceivably threaten these liberties which all of us cherish. He conveniently omitted mentioning that the subject matter of a referendum has to be debated for three weeks and passed by both Houses of parliament, that even then the government would not be bound by any result, and that any result would in no way affect existing constitutional safeguards. He neglected to mention that the Bill of Rights passed in 1960 would also be a block to any interference with these traditional rights. He neglected to mention that in the final analysis our court system would provide protection for these basic rights.

We may never need to use this bill, but we do need it as a tool to keep the Quebec referendum honest. The naivete with which the Leader of the Opposition and his shadow cabinet member, the hon. member for Rosedale (Mr. Crombie), the former mayor of Toronto, approached the prospect of transacting with a separatist prime minister of Quebec is alarming and dangerous. We need this bill to give us a flexible, tactical weapon that may well be useful from the federal government's point of view in the struggle for minds which lies ahead of us.

The Leader of the Opposition and the Conservative party would deny us this tactical weapon. I just do not understand the opposition's rationale or logic, which would be akin, in my view, to having the federal government going into a wrestling match with the separatist government of Quebec with one or both hands tied behind its back.

The Canadian people should sit up and take notice that the Conservative party and the Leader of the Opposition are not objecting to the separatist Parti Québécois holding a referendum with the avowed purpose of splitting up and dividing one of the world's most admired countries. But they are objecting to the federal government arming itself with the same kind of tactical weapon, couched in far more liberal, democratic and open rules than the Quebec proposed referendum, in order to give itself all the manoeuvrability that would be required to deal with this threat to the economic well-being and the basic civil rights of the people of Quebec in particular.

The Conservative party's reaction to this bill is an expression of the same naivete and shortsightedness which have characterized its whole approach to dealing with the threat posed by the Parti Québécois. This naivete seems really to provide the common ground whereby people like the hon. member for Kingston and the Islands (Miss MacDonald), who I know honestly and idealistically believes a reasonable accommodation can be worked out with the Parti Québécois in the event of a referendum result favourable to separatism, can agree with those in the Conservative party who all along have favoured a simplistic, two-solitude solution to linguistic problems in Canada.

According to the two-solitude reasoning, there will be nine provinces speaking only English and one province eventually speaking only French. The Pepin-Robarts report seems to have arrived at the same conclusion in its recommendation dealing with language minority rights. If the Pepin-Robarts recommendations on minority language rights were to be accepted, many of the French-speaking minorities outside Quebec would be subjected to irrevocable assimilation, and the English-speaking people of Quebec would lose basic civil rights which are theirs by virtue of both the Quebec Act of 1774 and the British North America Act.

I reject, the Prime Minister (Mr. Trudeau) rejects, and I think my colleagues reject the proposed Pepim-Robarts formula which neither protects nor promotes minority language rights, and I was pleased to be able to sign a declaration to this effect, prepared today in collaboration with the hon. member for Ottawa-Vanier (Mr. Gauthier).

[*Translation*]

We flatly reject any formula which neither protects nor prompts minority language rights. We also reject the very pessimistic point of view that the minorities would be subjected to irrevocable assimilation. It is not by leaving language minorities at the whimsical discretion of the provincial governments that we are going to strenghten the structure and the basic fabric of Canada. On the contrary, the reason for the existence of the Canadian federation would be seriously hampered.

[*English*]

If Canada is to survive, a declaration of rights and freedoms, including minority language rights, must be enshrined in our constitution. There are many English-speaking Canadians outside Quebec who are separatist oriented, and there are many separatist oriented French-speaking Canadians in Quebec who have convinced themselves that this two-solitudes solution will somehow work and ease the tensions which have been grabbing headlines for the last 15 years. I want to assure both that this is not going to happen. The French minorities outside Quebec are not going to allow themselves to be assimilated. Even if Quebec should decide to separate, there is still going to be a rightful insistence on the part of French minorities outside Quebec on linguistic and educational protection that will allow the survival of their language. Of course the same is true in Quebec. The separatists in a separate Quebec need not expect, as most of them do, that the English population will be less of a problem in a separate Quebec. I can assure them that will not be the case. In a separate Quebec the English minority will become much more demanding in every single aspect of what western democracies regard as basic human freedoms than has been the case up to now.

[*Translation*]

As I just said in English, many Canadians believe that the solution to our problems lies in the two-solitude concept of nine English-speaking provinces and one French-speaking province. I want to assure English-speaking people outside Quebec and French-speaking people in Quebec that this is no solution. The French-speaking minorities outside Quebec will never accept assimilation. Should Quebec decide to separate from the rest of Canada, the French-speaking minorities outside Quebec would still insist, and rightly so, on getting protection on matters relating to language and education so that their language might survive. Obviously, the same goes for Quebec.

Separatists should not expect, as most of them do, that in a separate Quebec the English-speaking people will be less of a problem. I can assure them that this will not be the case. In a separate Quebec, the English-speaking minority will be much more demanding that it has been up to now as regards every aspect of the fundamental freedoms as they are now recognized in western democracies. We have renounced violence, we have renounced the use of the armed forces to hold the country together, if the citizens of Quebec, in a completely democratic manner and with full guarantees of democratic freedom to all its citizens, vote positively for a separate country. However, let us keep in mind that if this vote is favourable, which I doubt, it would only be the beginning of extremely complex and delicate negotiations. The Conservative party's position as laid out in this debate would have us hamstrung before we start.

• (1720)

[*English*]

We have renounced force and, rightly so; we have renounced the use of the army to hold the country together, if the citizens of Quebec, in a completely democratic manner and with full guarantees of democratic freedom to all its citizens, vote to form a separate country. But remember if in the unlikely event such a vote were favourable, it would be only the beginning of the negotiations in an extremely complex and delicate exercise. The Conservative position would have us hamstrung before we begin. What naivete. It is a naivete which has crossed the boundary into irresponsibility. How else can one describe the Conservative party's unthinking, intellectually shallow, opportunistic seeking of accommodation, with the regionalism which has tugged always at our national fabric by promoting policies which will strengthen the forces of regionalism in Canada?

This blinkered approach to a strong Canada is evident in the commitment of the Leader of the Conservative party to do away with Petro-Canada, our national oil company, which in a few short months succeeded in bringing back under Canadian control an important percentage of our hydrocarbon industry.

Why do Conservatives want to do away with Petro-Canada? Partly the reason is ideological: pure free enterprisers do not want the government around, even if it means turning around a situation in which more than 85 per cent of the Canadian petroleum industry was foreign owned. According to this line of reasoning, it is all right if companies such as Petro Par, controlled by the Government of France, or BP, controlled by the government of Great Britain, can own a major chunk of our oil resources; but it is not all right if we Canadians do it through our government. As I have said, it is only partly ideology which has driven the Conservative party to a commitment to abolish Petro-Canada. The other driving force in this commitment is the regionalism to which the Conservative party now is catering. In simple terms, some westerners do not want a national oil company in their resource field.

Let us look at the Yukon. The Conservative party now is committed to giving provincehood to the Yukon. What does that mean? It means provincehood to the Northwest Territories shortly after, and eventually it means turning over the natural resources of the Yukon and the Northwest Territories to extremely small populations. That policy was enunciated by the Leader of the Opposition and the Conservative party. If that is the position of the Conservative party, the Liberal position is somewhat different. The government considers the natural resources of the north are the common heritage of all Canadians. First and foremost, the inhabitants of the north should call upon those resources to assure themselves a standard of living second to none in Canada. But after that occurs they are the heritage of all Canadians, and they are part of the cement which can bind and can continue to bind the country together.

What is the position of the Conservative party on offshore resources? In effect the Leader of the Opposition wants a turnover of offshore resources to the provinces. The 600,000 square miles which have been added to the Canadian sovereignty are a Canadian heritage; they belong to all of us. In effect, the position of the Conservative party will give these to the provinces.

What will happen to the things required to attract Canadians to a strong central government, if these two policies of giving away our Arctic and offshore resources—

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Red Deer (Mr. Towers) rises on a point of order.

Mr. Towers: Would the hon. member permit a question?

Mr. Watson: I would be delighted after I have completed my remarks. I alluded to the Arctic and offshore resource situation as examples of the official opposition's movement toward supporting the concept of regionalism in Canada at the expense of a strong federal government.

Just imagine this situation: we are faced with separatism in Quebec. Réne Lévesque would deprive all Quebeckers of their heritage in our Arctic. The Leader of the Opposition would go further. He would deprive all Canadians of their heritage in our Arctic. Réne Lévesque would deprive all Quebeckers of their heritage in the 600,000 square miles recently added to our Canadian sovereignty. The hon. Leader of the Opposition would deprive all Canadians of their heritage in that 600,000 square miles. This debate has made it clearer than ever that

the Conservative vision in Canada is lacking, if we want a strong central government.

Mr. Nystrom: Which vision? They have two or three.

Mr. Watson: I do not know if they have a vision.

Returning to the subject matter of the referenda capacity the bill will give to the federal government, it is a necessary tool to deal with the extraordinary situation before us now, which situation will intensify in the months ahead. To increase our manoeuvrability and to increase our ability to have a tactical weapon to play the game of chess developing between the federal government and the separatist government of Quebec, we need every flexibility in the bill.

In my view, the Conservative position is wrong. When Canadians have heard the versions aired in the House during the past one or two weeks, I am sure they will have very, very serious doubts about the Conservative position not only on this bill, but on its entire approach toward Canada-Quebec relations and a solution to the problem.

Some hon. Members: Hear, hear!

Mr. Towers: In view of the statement by the hon. member indicating that the Yukon and the Northwest Territories should give up their natural resources, the logical question would be: would Quebec be prepared to give up its natural resources, including the James Bay project?

Mr. Watson: I think Quebec would be about as prepared to give up its natural resources as Alberta.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I want to address myself for a few minutes to this notorious Bill C-9. Several of my colleagues have already spoken, and still others will because this bill is of great interest to us. I also note, Mr. Speaker, that this bill on referenda is being debated after the publication of the Pepin-Robarts report, which is a direct consequence of the election of the Parti Québécois, and also after the decision, taken by Quebec, to hold its own referendum. As the hon. member for Champlain (Mr. Matte) said a moment ago, I am convinced, Mr. Speaker, that if Quebec had not decided on a referendum, we would never have discussed the issue in this House.

It is always the same thing, I mean the reason for all this bickering, the main reason for all this bickering in the House and across Canada, the fact that the government is not doing its job and is always jumping on the back of the provinces, especially of Quebec. I think that we will have to say things clearly in the future and state whatever is on our minds.

Some people say: Quebeckers are impulsive people. But I was glad to see, in the course of the debate, that there are impulsive people among English Canadians too. I used to think English Canadians were so cool that they had no reactions at all, but they do react as soon as you interfere with their rights. As the preceding speaker just said, if you meddle with the rights of English Canadians in Quebec, we will react, we will rise and we will fight. I congratulate them for such a noble stand, but let them realize that for 111 years, Quebec has respected the rights of English-speaking Canadians and for 111 years, these same rights have been denied to French-speaking Canadians in the other provinces.

I think that French-speaking Canadians outside Quebec—and the hon. member tells me that they agree about that—have been extremely patient. Therefore, we can understand that they are more exacting in the stand they take today. I think English-speaking Canadians should try to understand them instead of bullying them. But I do not wish to develop that point any further since it is not the issue I want to addresss myself to today. Others have talked about that and it serves no purpose to start all over again.

I would like to add a few words to whatever has been said and call attention to the remarks of the previous speaker because deep inside I was pleased having finally realized that English-speaking Canadians are like any other people; when they feel threatened and think they are discriminated against, they can react.

Well, Quebeckers have been reacting for 15 years. I hope that that turning point in history will enable us to restore a sound measure of fairness. Mr. Speaker, the government is now ready to deal with an important issue which concerns the fate of all Canadians. In the interpretative clause 2 of this bill, the following definition was maintained:

"Constitution of Canada" includes, without limiting the meaning of that expression,

(a) the customs, conventions and enactments that comprise the Constitution of Canada, and

(b) the political and judicial institutions and processes of Canada;

That interpretation, Mr. Speaker, is too broad. The government is running the risk of needlessly thrusting its designs and constitutional concepts upon the provinces.

● (1730)

In fact, this definition is so unprecise that it would permit parliament to interfere more and more in provincial affairs by bringing the majority party into play. This bill would make it possible to seek the approval of all Canadians or some of them on all agreements and settlements relating to constitutional matters. Thus it would become the ideal tool for federal intervention into provincial jurisdictions by merely allowing voters all over Canada to negate provincial decisions. This policy would in fact deny provinces their sovereignty. Let us take a look at the confederation act, or read the definition of a confederation in a dictionary: We will find it is the union of sovereign provinces.

Today, it is no longer possible to mention sovereignty, or claim our province is sovereign under confederation without

being branded a separatist. Provincial legislative assemblies have received a very precise mandate from the voters whom they represent directly, to the same extent as federal members. Members of provincial legislatures appear to belong to a lower category. Well, no, Mr. Speaker. The purpose of this bill is to do away with the concept that the federal government must act as the co-ordinator of the provinces, the creation on a more or less voluntary basis of a separate political and economic entity, made up of the British colonies joined together. The British North America Act distributed the powers in a precise way, leaving to a central government the responsibility for legislating on behalf of all parties involved certain questions of common interest.

The time-honored customs and agreements of jurisprudence determine to a large extent the current and future destiny of Canada. Under Bill C-9, the federal governement could hold a referendum to make significant changes to these agreements. Since we all know that the present cabinet is not too keen on provincial demands for amendments to the constitution, these consultations of the Canadian public may serve as a means to bypass provincial legislatures. this stratagem has been used in the past and may very well be used again in the future.

We still remember the conscription during the 1939-45 war, Mr. Speaker. We did not forget it. They held an election on that, and it was also under a Liberal administration which said: They will never force conscription upon us. Then they attracted lower Quebec that way, and they knew that Quebec was 95 per cent against that conscription. Well, they established it from coast to coast, and we were cleaned out but we were not forgotten because 4,000 of our young people were killed in the slaughter, in battlefields, as our French Canadians were used to protect the British troops which were behind them.

Mr. Speaker, we do not want such situations to recur through a referendum. Now we are told: Yes, but we shall have a 40-hour debate when we move a motion for a referendum. And the hon. member who spoke before me said earlier: It will have to be accepted by both Houses. Fine. But we know that with the system we have today, when the government takes a decision, with compulsory vote for all its members, sure enough, the legislation is passed. Even if you fight for 40, 50 or 80 hours, it will pass. It does not matter any more.

● (1740)

There is also to some extent some danger with regard to the independence of the highest judicial system in our country. In fact, Bill C-9 would authorize the government to interfere with the decisions made by the Supreme Court of Canada or by appeal courts. This is what could happen. An appeals court making a decision in favour of a province might prompt the government to exercise its right to hold referendums so as to challenge this decision through the electorate. This legal precedent would put into question the whole judicial infrastructure which protects the judiciary system against all political attacks from within or without, from within if the institution becomes a political organization, and from without if the institution is the victim of political attacks. Any government interference in the judicial process would be extremely prejudicial to the independence of our courts of justice.

Those remarks might seem excessive, Mr. Speaker, but they serve to make a very important point in the debate. This bill refers only briefly to the type of circumstances that would prompt the government to hold a referendum. The bill only provides that the governor in council has the responsibility to hold a referendum. The decision is made at the ministerial level.

If the department considers that an issue related to the Constitution of Canada or any amendment thereto it requires the opinion of the electorate, the governor in council may, by proclamation, order that it be put through a referendum to the electorate of Canada or of any province mentioned in the proclamation. Besides, such is the intention now as concerns the province of Quebec.

The circumstances in which a referendum is required are not specified at all. Yet, it seems to us normal and even inevitable that the government should take legislative action to clearly define the requirements for holding a referendum. And only through strict regulations will abuse of discretion be avoided. It is therefore important to make sure that the government will bring forward specific criteria so as to prevent any political group from misusing such a tool.

This referendum bill allows the federal government to hold a referendum within a province, many provinces or across Canada. However, it does not elaborate on instances where a referendum may be held in any area in Canada. The government should define more clearly that clause of the bill so that public opinion will not eventually be manipulated.

Since the bill empowers the cabinet to determine the scope of the referendum, the government might exploit interregional antagonisms in this country to get the results it wants. The bill as worded would allow the government to take away, through devious means, the right to participate of a province expected to fiercely oppose the referendum. This is a possibility since the bill does not say how the government would determine the provincial or national scope of the referendum.

For this reason, the referendum, because of a reactionary hurry motivated by the Quebec referendum formula, may become a political instrument with which the federal government could materially alter the desires of the federated components.

One of the most often repeated points in the verbal struggle launched in the House of Commons on the referendum issue revolves around the fact that the House of Commons could always defend public interest during the period of debate reserved for members under clause 3 of the bill. The hon. member for Oshawa-Whitby (Mr. Broadbent) had this to say:

"If there is a particular referendum which we do not think is popular, the point is that we have the means in this House as an opposition to hold things up beyond the eight days. Indeed, if it happened that the government of the day, whether it be this government or any other, rammed through a referendum bill in the face of united opposition in the House of Commons, one does not have to guess what would happen. A referendum of that nature which did not have reasonable support and had to be rammed through would be defeated in advance. Any government would know that."

I am not at all as sure as that, Mr. Speaker, because I can assure you that in the 17 years I have been in the House, every time the government wanted to pass a law there was nothing to prevent them from doing so. They have all the means to have it passed. We believe that the common position of the Liberals and of the New Democratic Party shows a definite lack of perspective. There are very rarely unanimous votes in the House. Following the directives of the caucus of the two main political parties, we have to realize that there will always be an important division in the House on serious legislative measures. In other words the present parliamentary structures are such that unanimity in the House is very rare indeed.

The hon. member for Oshawa-Whitby and his friends show a certain amount of dishonesty when they foresee the possibility of a consensus between the cabinet and the federal members. On the contrary, the current political make-up of the House would lead one to believe that on any controversial questions about the referendum there would be a division. If need be a majority government could easily get a motion passed explaining the proposed referendum to this House without serious clashes unless it clearly perceived the unpopular character of that motion among a majority of voters. The electoral vote is always what they fear.

The title of Bill C-9, an act respecting public referendums in Canada on questions relating to the Constitution of Canada, makes it quite obvious that if Quebec had not decided to hold a referendum within its boundaries in order to find out the opinion of Quebeckers about a major issue in that province, the central government would never have thought of presenting such a bill. It therefore demonstrates to the people that the federal government can no longer take the initiative because Quebec is always one step ahead. The federal government therefore keeps playing its dangerous game of hide and seek. As soon as Quebec takes a step forward in its struggle for liberation and survival, the federal government comes right after him making the same move in all sectors. When it comes to examples there are plenty of them available. As soon as Quebec opens new fields of taxation, the federal government grabs them. The latest example and the least funny is that of Loto Canada where it got in in order to make unfair competition to the provinces. There would be no end to the list of such interventions if I wanted to state them one after the other.

● (1750)

As soon as they saw that the provinces were making a little money with Loto Quebec, Loto Ontario, etc., they established Loto Canada, and it is like that in every area. And then, Mr. Speaker, they are hypocritically surprised at the present crisis. They are even looking for the causes. I would say that the only cause of that crisis is the ever increasingly centralistic attitude of the central government in the hope that some day it might turn the provinces into simple administrative areas, a solution that Quebec will never accept, and the Prime Minister knows it quite well.

The Prime Minister once said here in this place that the federal government had no business in the bedrooms of the people; I believe the time has come for him to put his theory into practice and to get out once and for all of the bedroom of the province of Quebec before Quebeckers take it upon themselves to get him out in their own way in the next general election. As I said before sincere and loyal Quebeckers are jealous of their sovereignty that is guaranteed under the BNA Act, and in spite of the hundreds of repeated violations by the central government, they will not allow federalists to go and snoop in their province, which is their exclusive jurisdiction.

After being harassed for 111 years without hope for more understanding, Quebeckers are reluctant and we should not wonder why. Therefore I believe that because of the present form and intended purpose of Bill C-9 our party cannot accept it and we are going to vote against it.

Mr. Richard Janelle (Lotbinière): Mr. Speaker, I should like to congratulate my colleague the hon. member for Roberval (Mr. Gauthier) for the excellent speech he has just given and for the stand he took on this bill. In 17 years of parliamentary life he certainly has seen a great number of bills, but I wonder: has he ever seen a bill designed to achieve as negative a purpose as Bill C-9? The government, the Liberal party, avowedly introduced this bill to counter the Parti Québécois, a party elected democratically within a province by people who, I think, decided they had had enough, a party which may advocate the separation of Quebec, and does decidedly advocate the right of the province to determine its fate, and which also advocates, I feel, through that right to determine its fate, the giving back to all the provinces of Canada the powers that are rightfully theirs under our Canadian constitution.

I note that this bill will lead exactly to the same type of confrontation that occurred at the time of the two Canadian plebiscites. I have here the figures on the plebiscite on the Canadian conscription held on April 27, 1942; they prove the spirit of confrontation it stirred.

In that plebescite, 25 per cent of Quebeckers voted for conscription, and 75 per cent against, while in the provinces other than Quebec the ratio was practically the opposite: 80 per cent of the people in English-speaking provinces were for conscription and 20 per cent against. It led to a state of

confrontation at that time, a state of uneasiness and abdication in a country.

This bill will probably create the same situation: confrontation between French and English-speaking Canadians, even though they could live in harmony and respect each other if we had better laws. The hon. member for Bellechasse (Mr. Lambert) often talks about harmony and I believe it is a good term to describe Canadian unity. Harmony is unity of thought and I believe that the Canadian people can achieve this.

Bill C-9 is rather long. It contains many clauses. One thing that strikes me about this bill is that it authorizes a referendum to be held at the same time as a provincial election or referendum since it says that a national referendum cannot be held at the same time as a federal election. Why such a restriction? Why do we need twice as many expenses? Why not hold a referendum at the same time as a federal election? Why not hold one during a provincial election? Once again, this simply aims at creating confrontation with the provinces.

Quebec could decide to hold an election tomorrow morning and the federal government could say: As we cannot get openly involved in this election, we shall do so indirectly. We shall get involved in the election by holding a referendum at the same time. This is quite legal. We could hold a referendum at the same time as the referendum in Quebec. The bill allows this.

An hon. Member: This is not true.

Mr. Janelle: The government always tries for confrontation. Someone has shouted that this is not true. This hon. member should read the bill!

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

The Acting Speaker (Mr. Ethier): The hon. member for Madawaska-Victoria (Mr. Corbin) on a point of order.

Mr. Corbin: Mr. Speaker, the hon. member would have us believe that in the event of an election in any province, the federal government could take immediate action through a referendum. He has not read the bill because the question asked in a referendum must be submitted to both Houses for a minimum debate of 30 days. The election could be held twice during that time.

The Acting Speaker (Mr. Ethier): Order, please. Each hon. member is entitled to his own interpretation. I think it is the turn of the hon. member for Lotbinière to speak.

Mr. Janelle: Thank you, Mr. Speaker. Moreover, because of this bill, confrontation will continue. I should like to give an example which everybody can understand. Suppose the Supreme Court of Canada, dealing with Quebec Bill 101, decides that a particular section is acceptable under the Constitution. The federal government, refusing to accept this decision, decides to submit the same question to the opinion of the Canadian public in order to have it judged and reversed.

With this bill, we also run the risk of weakening the judiciary and letting the political power interfere with the judiciary. As a matter of fact the federal government, namely the Liberal party, is trying to impose its will on the provinces and to deprive them more and more of their sovereignty. The powers of the provinces have been eroded since 1968 and even before. The federal government is entering more and more into areas of provincial jurisdiction. A spirit of confrontation is brought about and a little sovereignty is taken from the provinces. This bill will enable the government to go further into the provincial fields of jurisdiction and to take a little more power from each of the provinces of Canada. The spirit of sovereignty does not exist only in Quebec, but also in most provinces which want to have what belongs to them under our Canadian Constitution which is not implemented, which is eroded quietly, day after day, with some little piece of legislation and then another little piece of legislation. Furthermore, the federal government increasingly takes hold of cultural fields, taxation and other fields. Mr. Speaker, may I call it six o'clock?

The Acting Speaker (Mr. Ethier): Order, please. It being six o'clock, this House stands adjourned until tomorrow at two o'clock, pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 1, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

BRUCELLOSIS—REQUEST COMPENSATION BE RAISED TO REALISTIC LEVEL—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I wish to move a motion of urgent and pressing necessity under Standing Order 43. Because brucellosis compensation is totally inadequate and because a number of dairy and beef farmers are being forced into bankruptcy under this compensation law, I move, seconded by the hon. member for Elgin (Mr. Wise):

That the Minister of Agriculture immediately instruct his department to raise compensation values to realistic levels.

Mr. Speaker: This motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

BROADCASTING

CAMPAIGN TO DECERTIFY NABET AS REPRESENTATIVE OF "Q" RADIO EMPLOYEES—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That the Secretary of State for External Affairs advise the House on motions or otherwise whether he approves of the policy and actions of the "Q" radio system of Newfoundland in their campaign for the decertification of NABET as the representative in collective bargaining of the employees of the "Q" radio system, 100 per cent owned by the minister in a blind trust, or whether the minister wishes to continue to turn a blind eye to the union busting and anti-union tactics of his family-run radio empire—

Mr. Speaker: Order, please.

BUSINESS OF THE HOUSE

REQUEST FOR PASSAGE OF BILLS RESPECTING PROPOSED NATIONAL HERITAGE DAY—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, at this stage of the winter I believe all members will be happy to support the motion I wish to present under Standing Order 43. Therefore, seconded by the hon. member for Sault Ste. Marie (Mr. Symes), I move:

That this House urge the Deputy Prime Minister to make government time available next week so that the House can deal either with Bill C-247, in the name of the member for Windsor-Walkerville, or Bill C-363, in the name of the member for Winnipeg North Centre, it being clear that the passing of either one of these bills would result in Monday, February 19, being celebrated by all Canadians as National Heritage Day or *jour du Patrimoine national.*

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

LABOUR RELATIONS

STRIKE OF VOYAGEUR COLONIAL LTD. DRIVERS—REQUEST FOR INTERVENTION BY MINISTER OF LABOUR—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an urgent matter of pressing necessity.

Considering that Voyageur Colonial Ltd. is now crippled by a strike of its 400 drivers; considering that so far arbitration has been unable to bring the two parties closer; considering that this public service is the only one available in many Quebec regions, especially on the north shore, in the Gaspé Peninsula, that is from Gaspé, Sainte-Anne-des-Monts and Matane up to Mont-Joli; considering also that the economy of eastern Quebec generally is affected enough as it is without leaving present conditions to deteriorate further due to a lack of communication, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House urge the Minister of Labour (Mr. O'Connell) to intervene directly in that conflict with a view to drawing both parties closer and encouraging them to reach an agreement in the shortest possible time so that Quebeckers,

especially in the Gaspé Peninsula, may enjoy that essential transport service which they are entitled to.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to Standing Order 43, this motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

COMMUNICATIONS

SUGGESTED ANNUAL "COMMUNICATOR OF THE YEAR" AWARD—MOTION UNDER S.O. 43

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In appreciation of an outstanding contribution to clarity of thought within Canada, I move, seconded by the hon. member for Okanagan-Kootenay (Mr. Johnston):

That this House call upon the communications department to institute an annual "Communicator of the Year" award, the first recipient to be the hon. member for Vancouver-Kingsway who, in a westcoast broadcast, said that the Minister of Communications had betrayed the trust of the Canadian people and that she was not competent to run her department.

Some hon. Members: Hear, hear!

* * *

HOUSING

DEFAULTS AND FORECLOSURES—REQUEST MINISTER OF STATE FOR URBAN AFFAIRS APPEAR BEFORE STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I rise under the provisions of Standing Order 43. In light of the fact that as of today CMHC has acquired over 20,000 housing units as a result of default and foreclosures, in light of the fact that this represents almost $350 million in real estate that is costing the Canadian taxpayer additional millions every year, and in view of the projection that thousands more units will be acquired be CMHC this year, I move, seconded by the hon. member for Ottawa-Carleton (Mrs. Pigott):

That this House direct the Minister of State for Urban Affairs and his officials to appear before the appropriate committee in an effort to provide a strategy combining the housing needs, financial resources and the capabilities of government and industry in an effort to redress the inadequate housing policies of the present government.

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

[Mr. Allard.]

Some hon. Members: Agreed.

Some hon. Members: No.

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TRANSPORT

REQUEST TRANSPORTATION COMPANIES FULFIL OBLIGATIONS TO PROVIDE SERVICE—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a motion under Standing Order 43 which will be of particular interest to the Prime Minister (Mr. Trudeau) since it has to do with double-digit increases in incomes. In view of the increased profit gouging by transportation companies in Canada in 1978 over 1977, with Canadian Pacific increasing profits by 31.6 per cent, Canadian National by 386 per cent, Air Canada by 135 per cent and CP Air by 506 per cent, I move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That the Minister of Transport require these corporations to live up to their historic and statutory obligations to provide transportation service which the country must have.

Mr. Speaker: The introduction of such a motion for debate at this time can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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STATISTICS CANADA

REQUEST MINISTER OF INDUSTRY, TRADE AND COMMERCE INVESTIGATE STAFF COMPLAINTS—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise, pursuant to the provisions of Standing Order 43 and to continuing difficulties at Statistics Canada. Since it appears that neither the Minister of Industry, Trade and Commerce (Mr. Horner), responsible for Statistics Canada, nor the Prime Minister (Mr. Trudeau) fully appreciates the distinction between the consumer price index and the job vacancy survey, which is hardly reassuring, and since there are continuing morale problems within StatsCan which, unless they are dealt with, will lead inevitably to the type of problems so evident in the post office, I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That the Minister of Industry, Trade and Commerce show some ministerial competence and firmness and specifically investigate why, in 1978, over 200 staff complaints in StatsCan, leading to over 100 grievances being file on behalf of clerks and typists by the Public Service Alliance, have been dealt with so summarily and unsatisfactorily; and, in addition, why senior employees are being denied the opportunity to contribute to improving the dismal performance of our national statistical agency because they have no specific assignments.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

DEVALUED CANADIAN DOLLAR—REQUEST FOR COMMITTEE STUDY

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister who will know that, in answer to a request from the hon. member for Don Valley to have the governor of the Bank of Canada appear before a standing committee of the House, the Liberal chairman of that standing committee said in a letter, and I quote:

I certainly agree with you about the considerable public interest in this matter and, like you, I would welcome the opportunity to discuss his decision with him in committee... May I suggest that this important matter be raised in the House of Commons. For my part, I would welcome such an initiative.

Is it still the intention of the Prime Minister to deny the requests from this side of the House and the request of the Liberal chairman of the standing committee to make a reference which would allow this House of Commons to examine the governor of the Bank of Canada and his officials in relation to the interest rate of the Bank of Canada and the dollar policy being followed by this government, at such high cost to Canada?

● (1415)

Right Hon. P. E. Trudeau (Prime Minister): The Leader of the Opposition has obviously not been listening to the answers I have given to him, Mr. Speaker. I said, and I say again today, that if the opposition or any group in this House wants the governor of the Bank of Canada to discuss these matters, he will appear any day when he is asked to do so by the Standing Committee on Finance, Trade and Economic Affairs, which is meeting now to consider the Bank Act. He appeared a couple of times last fall and he will appear any number of times this winter or spring, and he will appear again if only the opposition will use the occasion of that standing committee which is meeting many times a week on the Bank Act. The governor is there to answer questions. I doubt very much whether the Leader of the Opposition will be there, and will take his foot out of his mouth and ask any questions.

Some hon. Members: Hear, hear!

Mr. Clark: The Prime Minister, who yesterday had difficulty distinguishing between the House of Commons and the Senate—

Some hon. Members: Oh, oh!

Mr. Clark: —apparently does not know there needs to be a reference in order to allow the kind of inquiry for which we are calling. Will he make such a reference to allow a full examination of the governor of the Bank of Canada by a committee of this House as well as of other relevant officials and spokesmen for investment houses and chartered banks in this country, so that we may obtain all the evidence which is available to the governor and to the government in relation to a policy which has caused the value of the Canadian dollar to fall and fall?

Mr. Trudeau: I doubt very much the sincerity of the opposition in making this request, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Trudeau: If they want to discuss this matter without histrionics—

Some hon. Members: Oh, oh!

Mr. Trudeau: They do not want it to go a committee, Mr. Speaker. That is why they are raising the matter every day in the House. They do not know what to say in front of a committee.

Some hon. Members: Hear, hear!

Mr. Trudeau: It is easier to stand up and ask a question of the government than to enter into a rational argument with the governor of the Bank. They tried a rational argument with the governor last fall, Mr. Speaker, and he had answers to all their questions and they just did not know what to say. They have a second chance now. The committee is meeting. It is meeting regularly, several times a week, on the Bank Act—

An hon. Member: No reference!

Mr. Trudeau: —on the very subject which is of interest to the opposition. If they want the governor to be there, and if they want to call other witnesses—

Mr. Stevens: We would need a reference.

Mr. Chrétien: You have not even raised the subject in the steering committee.

Mr. Trudeau: If hon. members honestly want to discuss this, do it in the way parliament always does it. There is a steering committee. They decide the procedure, and that is the way to do it.

Some hon. Members: Hear, hear!

Mr. Clark: The Prime Minister pretends to disagree with me but he is not disagreeing with me; he is disagreeing with his own Liberal chairman of the standing committee—

Some hon. Members: Hear, hear!

Mr. Clark: —who has asked for a reference and which the Prime Minister has turned down.

Some hon. Members: Oh, oh!

Mr. Clark: It is the whole parliament he is attempting to muzzle, not just the official opposition. As a careful student of the press, the Prime Minister will know that on January 13 the *Financial Post* reported, and I quote, that the slogan floating around New York currency circles these days indicates that the Canadian dollar will sink to 79 cents U.S. I wonder whether the Prime Minister, knowing this information and being concerned about it, as he should be, has had any studies made within his government which would give him reason to believe the dollar will not fall to 79 cents: and if he has carried out these studies, will he make the results available to parliament and to the people of this country?

Mr. Trudeau: On the former matter, the muzzling of parliament, the chairman of the committee is following the business put by the steering committee. If members of the House want to use the steering committee in order to do other things, the president will do his duty and follow the will of the House. The opposition talks about being muzzled. It has a leader who has his tongue in his cheek and his foot in his mouth, and he feels muzzled by himself.

● (1420)

REQUEST FOR AUTHORITY TO MAKE REFERENCE TO STANDING COMMITTEE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my supplementary question is also to the Prime Minister. I am sure the Prime Minister has already seen the letter from the chairman of the finance committee addressed to my colleague, the hon. member for Don Valley. In that letter the chairman states, and I quote:

> —you seem unaware of the rules governing committees. The committee can only consider matters referred to it by parliament and with no authority from parliament to call such a meeting, I cannot on my own initiative order the clerk, the interpreters, the recording staff or any of our machinery without the authority of parliament.

In view of that committee chairman's clear understanding that he cannot make a reference on monetary matters without the authority of parliament, will the Prime Minister not grant that authority?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Bank Act is before the committee with the autority of parliament. If hon. members opposite want to raise a certain matter in the steering committee, we will see that it is proceeded with in the normal way. The governor has been there before. The opposition asked him precise questions on monetary matters, and they were dealt with by the governor.

Mr. Woolliams: They were ruled out of order.

Mr. Trudeau: The hon. member need only look at the record.

[Mr. Clark.]

INTERVENTION TO SUPPORT CANADIAN DOLLAR—REQUEST FOR DEFINITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, whenever this matter has been raised, our questions have been ruled out of order.

My supplementary question is to the Minister of Finance. Yesterday in replying to certain appropriate questions put by my colleague, the hon. member for Halifax, concerning the disappearance of $5 billion of our reserves for the purpose of defending the dollar, which is supposed to be floating, the Minister of Finance stated, as reported at page 2755 of *Hansard:*

> I have said many times that the governor of the bank intervenes in the marketplace to maintain an orderly market . . . to make sure that there is a normal market.

How does the minister define that intervention, bearing in mind that yesterday and today the Bank of Canada has expended 230 million U.S. dollars in an attempt to defend the dollar, and bearing in mind that that represents 40 per cent of the approximately $500 million loan which has been arranged with Japan? Is that the type of market intervention the minister regards as normal? Has the minister set no limit on the amount the Bank of Canada may expend in defending the dollar?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the hon. member has a habit of throwing out figures which are not accurate. The release of information regarding the use of the reserve during a particular month takes place on the second day of the following month. Information relating to the month of January will be published tomorrow.

The intervention of the bank has been the same since I have been Minister of Finance. I explained yesterday that one of the reasons we have to borrow in foreign markets is that there is a lot of liquidity in Canada. The provinces are not borrowing abroad, and we have decided to substitute for them in that respect. That is why we are borrowing abroad. We want to maintain the flow of capital which is needed because we have a balance of payments deficit.

While I am on my feet I would like to inform the House that never in the steering committee have hon. members asked for the appearance of the governor, who is willing to testify under the auspices of the Bank Act. Last fall we were dealing with borrowing authority, which has no relationship to this problem. Hon. members opposite asked the governor about the monetary policies of the government, and the governor replied to all questions. Hon. members opposite stopped asking questions after a few minutes because they had no more questions to ask.

● (1425)

Mr. Stevens: Mr. Speaker, my supplementary question is directed again to the Minister of Finance, who knows very well it is not just the governor of the Bank of Canada whom we need before that committee; we need many other witnesses so

as to get to the bottom of what is happening to our crumbling dollar.

My final question to the Minister of Finance is as follows. In view of the fact that the dollar has fallen in value approximately 20 per cent in spite of the policies of the government, would the Minister of Finance indicate whether he has any contingency plan which he might invoke if the dollar's retreat is not halted; and second, would he indicate whether he has taken it up with Petro-Canada to see if they will hold back on the purchase of U.S. dollars which is now under way by that Crown corporation in anticipation of the closing of their Pacific Petroleum deal later this month?

Mr. Chrétien: Mr. Speaker, I think that the first question asked by the hon. member is purely speculative and I will not comment on it. I just want to say at this moment that yes, we are willing to go before the committee. Members on this side of the House wanted to have meetings of the committee in the month of January, but it is the hon. member who did not want the committee to meet.

Some hon. Members: Hear, hear!

An hon. Member: That is not true.

Mr. Chrétien: It was blocked in December by the hon. member for York-Simcoe.

Some hon. Members: Hear, hear!

An hon. Member: You are misleading the House.

Mr. Chrétien: He wanted to go on a trip and lose his luggage, and at the same time to invent a new theory—

Some hon. Members: Hear, hear!

An hon. Member: That is not true.

* * *

INDUSTRY

PULP AND PAPER—RETENTION OF PERCENTAGE OF PROFITS FOR INVESTMENT IN CANADA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the President of the Board of Economic Development Ministers. Just an hour from now the minister will be announcing at a press conference outside of parliamentary scrutiny a multimillion dollar handout for the pulp and paper industry in Canada, which I think is totally irresponsible, instead of bringing the matter before parliament. Considering that the big six in the pulp and paper industry which control most of the industry have made profits in 1977 of $160 million and have just announced a 150 per cent increase in those profits for 1978 up to $379 million, can he tell the House why the government is giving away to this industry many millions of dollars at this time for the development of resources instead of insisting that when they are making profits in the resource sector they must be obligated to hold back for investment in Canada a certain percentage of those profits?

Hon. Robert K. Andras (President of the Board of Economic Development Ministers): Mr. Speaker, it is quite correct that the forest products industry in this last year or so has enjoyed a good cash flow and good profits. It is very much related to the temporary situation with regard to the Canadian dollar, a competitive advantage they enjoy now but one which I do not think anyone anticipates may last very long, and one on which they cannot count.

In the meantime, I think everyone who examines this very important industry in terms of the number of jobs it provides in this country, the volume of its export trade in the amount of $8 billion a year, and who examines the significance of this, would realize it is in the Canadian interest to ensure there is investment and modernization of plants, because it is facing severe competition in the longer term from the United States and from other parts of the world. It needs modernization and it needs forest management. All those aspects were recommended by the task force on the forest products industry in which both labour and management joined. We are responding to that and insisting, of course, that any contribution or grant from the government is matched at least three to one by the companies themselves.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, I thought that those who believe in the creative private sector, especially spokesmen for the industy themselves, would say that if you are earning profits for whatever reason, you should be ploughing them back into new investments instead of going to the government for handouts.

I should like to ask the minister in all seriousness whether in this context. considering the industry's profits are up 150 per cent, the Government of Canada is saying that the only way to get firms making profits in this sector to invest part of their profits—and I stress in parts of the country that do not rely on regional development, such as many of them do right here in the province of Ontario—is to give them handouts precisely at a time when the federal government is cutting down on health services to hundreds of thousands of Canadians across the country?

Mr. Andras: The hon. member is losing track of the ultimate purpose of this which is to maintain and protect, and in fact, we hope, to enhance, employment in this country. This is an industry which is vital to the Canadian economic scene, an industry which is having a temporary respite from very difficult conditions. It is exactly the time to entice them to modernize their plant and equipment. Over the last ten years, their profits have not been sufficiently attractive for them to see an opportunity down the path, compared to other opportunities which they might use, to invest their accumulated capital. This is a great combination of labour, management and the government working together to protect jobs and make the country's industry competitive.

● (1430)

Mr. Broadbent: Mr. Speaker, is the minister aware that virtually all Scandinavian countries dealing with forestry management work out long-term agreements with the private sector and make it a condition of earning profits from timber rights, which belong to the people, that they plough back a part of their earned profits into new investment? If the minister is aware of it and is aware that it has worked very well in those countries, why is he giving handouts now to very profitable, large corporations which do not need handouts just before a federal election?

Some hon. Members: Oh, oh!

Mr. Andras: Mr. Speaker, first I should like to deal with the implication of the last comment. This comes about as a result of a consultative process which has been ongoing for many, many months—almost a year—in which representatives of industry, labour and management have made very definite, joint and agreed upon recommendations to the government.

Mr. Broadbent: Labour does not agree with that.

Mr. Andras: As the hon. member knows, forest resources are controlled 90 per cent by provincial governments: the questions of reforestation, timber limits and various matters. We are working this out in co-operation with the provinces across the country. There is no question about the provinces being in agreement. In fact, it is being recommended by Ontario, Quebec and other parts of Canada.

Mr. Broadbent: Oh, yes!

Mr. Andras: I think the hon. member is trying to throw a smokescreen over this. In my view we are protecting jobs, and we are hoping to enhance the opportunity of that industry to create more jobs.

* * *

[*Translation*]

LABOUR RELATIONS

STRIKE OF VOYAGEUR COLONIAL LTD. DRIVERS—REQUEST FOR INTERVENTION BY MINISTER OF LABOUR

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is directed to the Minister of Labour and has to do with the strike which is affecting the 400 drivers of Voyageur Colonial in Montreal and which is a source of extreme hardship for those living in northern Gaspesia between Gaspé and Rimouski. Because it is the only mode of transportation in that region, because a great many senior citizens and students do not own a car, and because this strike is playing havoc with that part of the province, could the minister advise the House whether he has received information concerning this dispute, whether anybody has asked him to intervene, and whether he intends to step in to resolve this dispute which has lasted too long already?

[*English*]

Hon. Martin O'Connell (Minister of Labour): Mr. Speaker, certainly I understand the hardship being created by this particular dispute in the province of Quebec. I should inform the hon. member that the two parties are meeting again today in the presence of a federal mediator. It would be inappropriate for me to intervene at this time while the parties themselves are trying to resolve their dispute with the assistance of one of my officers.

[*Translation*]

Mr. Allard: Mr. Speaker, I have a supplementary question.

Does the minister mean to say that if this dispute is not resolved he will not intervene? I think there have been precedents where the Minister of Labour intervened directly to solve a labour dispute.

Mr. O'Connell: No, Mr. Speaker, I did not say that. I said that the two parties have returned to the negotiating table and I hope they will be able to resolve this dispute.

* * *

[*English*]

FINANCE

VALUATION OF GOLD RESERVES AT MARKET VALUE

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Minister of Finance. Why does the government not direct the Bank of Canada to value the government gold reserves in the foreign exchange account at market value?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, there is no reason to change the policy.

Mr. Gillies: I am sorry, I did not hear the minister's answer. What was the answer?

Mr. Clark: He said that there is no reason to change the policy. He just does not know.

Some hon. Members: Oh, oh!

Mr. Gillies: Mr. Speaker, with a situation where the Canadian dollar has hit the lowest point since 1934, we have been borrowing abroad, and we have no foreign exchange reserves, I would have thought the government would have been interested in looking at some alternative policies.

My supplementary question is: Why does the Minister of Finance not direct the governor of the Bank of Canada to tighten up secondary reserves so that speculators will not be able to do so well speculating against the Canadian dollar?

Mr. Chrétien: Mr. Speaker, I am very surprised by the question of the hon. member. Yesterday his leader was complaining that there was not enough reserve, and today he is saying that we have an underestimated reserve, because the book value of gold is the same as it was before.

Some hon. Members: Oh, oh!

Mr. Chrétien: It is a completly impossible proposition, as all propositions coming from the other side.

Mr. Gillies: Mr. Speaker, it is interesting that the Minister of Finance answers my second question by replying to the first one. If the value of gold was at market price, the government reserves would increase by $3 billion, which is precisely what the United States and other countries have done. It is preposterous that we do not do it.

My supplementary question which the minister did not answer was: Why does the Minister of Finance not recommend the governor of the Bank of Canada tighten up secondary reserves so that there would be less liquidity in the system for foreign exchange dealers to speculate so easily?

Mr. Chrétien: Mr. Speaker, the monetary policies of the government have been stated in the House many times.

Some hon. Members: Oh, oh!

Mr. Chrétien: They have been stated by the governor of the Bank of Canada many times. I have no intention of giving direction to the governor of the Bank of Canada; he knows how to handle his business very well.

ACTION TO BRING CURRENT ACCOUNT DEFICIT UNDER CONTROL

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Finance. By the way, while there might have been some baggage lost by our party, it is the government that has lost the Canadian dollar, which is not coming back.

Some hon. Members: Hear, hear!

Mr. Crosbie: That is far more important to the Canadian people than the few pieces of baggage to which the minister referred.

An hon. Member: Right on!

Some hon. Members: Hear, hear!

Mr. Crosbie: Juvenile asininity.

Mr. Speaker: Does the hon. member have a question?

Mr. Crosbie: Mr. Speaker, there was a $600 million increase only in the trade surplus in 1978, but at the same time the deficit in the balance of payments in the current account is estimated to increase by at least $400 million this year. Since the merchandise surplus will have to increase by at least $1 billion a year to avoid an increase in the current account deficit, how does the minister plan to bring the current account deficit under control? What options is he considering? What action will he take? Never mind the silly baggage to which the minister referred; what will he do about this very serious situation?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I should like to reply by indicating that the Canadian economy performed very well last year; it was a record yearly increase.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Chrétien: We have a surplus of $3.5 million. The Canadian economy has not yet derived all the benefits it is supposed to receive from the more competitive position of the Canadian dollar. I think the hon. member should go back to Newfoundland and talk to the fishermen, the ones who are benefiting very much from the fact that the value of the Canadian dollar has made Canadian fish products much more competitive in world markets.

Mr. Crosbie: Mr. Speaker, my supplementary is directed to the Minister of Finance. The Prime Minister said that we have our feet in our mouths. Well, I say that the minister and the department have forked tongues in their mouths.

Some hon. Members: Hear, hear!

Mr. Crosbie: I would sooner have a foot than a forked tongue in my mouth. Despite the decrease in value of the Canadian dollar by 17 per cent over the last year or year and a half, exports in 1978 increased by 17.2 per cent and imports still rose 17 per cent. So that the dollar, which the minister has smashed down to 82 cents, has still not saved our current account deficit. Will the minister explain how this battered and bruised Canadian dollar that is going down to 79 cents will save us this year when it did not save us on the current account last year, and what does he propose to do? Will the Minister of Finance tell the country what he is going to do and never mind the rigmarole and silly talk?

● (1440)

Mr. Chrétien: Mr. Speaker, with regard to the Canadian economy we know at this moment, as the business community said to the nation last Friday, that many sectors of the economy are operating at full capacity—pulp and paper, steel, fisheries, clothing, shoes and many others. The hon. member should realize that going from a trade balance of $2.9 billion to $3.5 billion is a very nice improvement. I can tell the House that we will do even better this year.

Mr. Fraser: What about your balance of payments account?

Mr. Chrétien: It is very important that we follow the policies we have established and not flip-flop every two months.

Mr. Fraser: Your middle name is flip-flop.

Mr. Chrétien: Two months ago we brought down a responsible budget, and the opposition said that the deficit was too high. Now the Leader of the Opposition has invented a new concept, the phantom deficit which appears and disappears. The country wants steady economic policy, and we are on the right track.

Mr. de Cotret: Steadily down.

Mr. Chrétien: The business community and labour agree with us.

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[*Translation*]

ENERGY

INQUIRY WHY CERTAIN GAS COMPANIES REFUSE TO SUPPLY DISTRIBUTORS

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, can the minister inform the House whether he is aware that some gas companies now refuse to deliver heating oil to some distributors because of shortages of the product, they say. Would they not rather be trying to create a strong demand and consequently to raise prices?

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I have received certain allegations that that kind of situation might develop, partly as a result of the tight supply situation occasioned by the cessation of production by Iran. My department and my parliamentary secretary have been meeting with the companies involved, and I believe that it will be possible to work out a solution which will maintain the source of supply for those marketing companies.

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EXTERNAL AFFAIRS

IRAN—THREATENED DENIAL OF OIL SUPPLIES TO UNITED STATES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, before I ask my question I would like to express my thanks to the Minister of Finance, who predicted a change in government in that he said that things are going to be better next year.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: My question is a very serious one, and it is directed to the Secretary of State for External Affairs. Having regard to the serious situation that has been exacerbated in the last 24 hours in Iran, what has the minister to say concerning the general situation there, particularly with regard to the threat which was made, I believe, this morning to the effect that oil will be denied to the United States? Would he give the House a picture of the situation there and, at the same time, as a suggestion, would it not be a very appropriate time for Canada to show its alliance to the United States by making clear now that if conditions continue as they are predicted to in Iran—that by April the oil shortage will be dangerous to world peace—we will make available large portions of our oil reserves, to the end that in unity we stand together?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I am not certain that I can give a total report in the context of the question period. The truth of the matter is, as the right hon. member knows, to put it very simply, that the situation in Iran is far from clear at the moment. The Ayatollah has returned home but he has no official authority. On the other hand, it is obvious that he has an enormous amount of public support.

As of last report, about an hour ago, the prime minister, Mr. Bahktiar, had indicated that he was remaining in office. It appears that he will seek some kind of discussion or meeting with the Ayatollah to see if a compromise can be arrived at. At the moment no one outside the country and very few people within Iran know what the result of the present situation will be. There have been threats, not only with regard to cutting oil supplies to the United States, but to other countries as well, including Israel and South Africa.

I believe it is obvious that, in so far as we in this country are concerned, we will put forth our best efforts, particularly as they relate, as the hon. member has suggested, to the United States; we do not wish to see them penalized in any way. I am not so sure, however, that the answer is a direct exchange or a direct shipment of oil from Canada to the United States. Perhaps it may be within an international context. I can certainly assure the right hon. member and the House that we will be forthcoming to the extent of our ability in diminishing or reducing any of the hardships which proposed actions may create and, of course, we will do whatever we can to resolve the great tension which has come about as a result of this problem.

Mr. Diefenbaker: Mr. Speaker, I thank the minister, and I repeat the question. Would this not be an appropriate time to inform the United States of where we stand in this regard, so that that country will realize that united we were in war and united we are today in face of the most perilous situation in the western world in the last three or four years?

Mr. Jamieson: Mr. Speaker, I do not believe that I am at odds with the right hon. member. If he will recall the situation which existed a couple of years ago when severe winter storm conditions caused problems in the United States, we responded with great alacrity and it was appreciated. The message of that action is perfectly clear. To paraphrase a comment which one hears in Canada from time to time, I am quite sure that we would not allow the Americans to freeze in the dark.

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REGIONAL ECONOMIC EXPANSION

KIRKLAND LAKE, ONT.—REQUEST FOR REPORT ON GEOSCIENTIFIC MINERAL SURVEY

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would like to ask a question of the Minister of Regional Economic Expansion. Several months ago a geoscientific mineral survey of the Kirkland Lake area was allotted $2.3 million in a joint

arrangement between Ontario and DREE. Would the minister tell the House how soon we can expect a preliminary report, and has it been agreed as to what the use of the survey reports will be?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I hope this report will be submitted to us without delay by those who are drafting it. Once we have examined the report we shall be able to determine what action both governments can take jointly. Of course the studies are being made with the intention of helping industries go into exploration but particularly into mining exploration as such in northern and northeastern Ontario but I think it is too early at this time to indicate what might be the final results of this report.

[*English*]

Mr. Peters: Mr. Speaker, as most of the mineral areas around Kirkland Lake are held by private owners, including many of the largest mining companies in Canada, which are showing no interest in gold though the price is at an all time high, will the minister provide leadership by involving the CDD, which now controls Texas Gulf, in a joint venture with the property owners so that employment can be provided and the government can draw benefits from a product that will aid in our balance of payments?

Mr. Lessard: Mr. Speaker, if the report shows a positive indication of any major resource deposits in that area, namely coal, and if the private companies are not interested in taking advantage of the situation, we along with the provinces will investigate to determine what we can do to entice them, or find some other appropriate means to exploit those resources.

* * *

● (1450)

THE CANADIAN ECONOMY

SUPPORT FOR CANADIAN DOLLAR

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I should like a little clarification with regard to some questions I asked yesterday, because I think it is important that the government's dollar policy be understood and, above all, that it be credible. Yesterday the minister said in reply to my question, as reported at page 2755 of *Hansard*:

> Because we are having this balance of payments problem, we must maintain some inflow of capital. We have borrowed in order to achieve this,—

Will the minister explain why this does not constitute a policy of support for the Canadian dollar and why a policy of borrowing abroad to offset the balance of payments problem is consistent with a floating dollar?

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I explained yesterday that because of our balance of payments problems there is constant need for maintaining the level of foreign capital inflow into the country. I also explained that in years past that inflow was ensured by provincial, municipal and private borrowings abroad. Now, this year, as liquid assets are considerable within the Canadian monetary system, the provinces and municipalities do not feel the need to borrow on foreign markets. That is the policy of the government and if the hon. member wants to see it as an intervention in the monetary policy so be it; naturally the balance of payments and the monetary policy cannot be separated, one does not go without the other.

[*English*]

Mr. Stanfield: A supplementary question, Mr. Speaker. I would really like to know whether the Minister of Finance is being stupid or dishonest. I should like him to explain how a deliberate policy of the federal government of borrowing abroad because of a balance of payments problem does not constitute support for the Canadian dollar. Can he explain that?

Mr. Chrétien: Mr. Speaker, I am very impressed by the humility of the hon. member. I have just said that the policy has been enunciated, that we had decided to borrow abroad. We have not denied that we were borrowing abroad. Of course, we say that the Canadian dollar is a floating currency because we do not want to fix the rate of the currency. We have said many times, however, that the governor of the Bank of Canada has intervened in the market in order to maintain an orderly market, and that is one of the operations.

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FOREIGN INVESTMENT REVIEW ACT

INQUIRY AS TO COMPLIANCE WITH PRINCIPLES OF INTERNATIONAL BUSINESS CONDUCT

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. What steps are now being taken to bring to the direct attention of all foreign-controlled firms the new principles of international business conduct, inasmuch as they were tabled in this House in July, 1975, as a statement of "broad government policy"? I gather from what the Prime Minister said in this House recently that this policy is still in force. When will the minister publish information to update the results of surveys to assess the degree of voluntary compliance with these principles, which in effect call for the application of the FIRA test of "significant benefit" to all foreign controlled companies, including those not covered by that law? I understand that the last of these surveys was published in 1974 for the years 1971-72. Finally, will the government soon be taking steps—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I am particularly pleased, and I

know my colleague the Minister of Energy, Mines and Resources is particularly pleased, that the press had found out about the business conduct guidelines which the minister enunciated a number of years ago. We intend to make certain that companies operating in Canada adhere to those guidelines and, in fact, we are taking a close look at that specific area in the hope that we can multiply them to improve the benefits to Canada from them.

* * *

STATISTICS CANADA

REQUEST FOR EXPLANATION OF RATIONALE FOR FAMILY EXPENDITURES SURVEY

Mr. Thomas Siddon (Burnaby-Richmond-Delta): Mr. Speaker, my question is also directed to the Minister of Industry, Trade and Commerce who is responsible for Statistics Canada. The question relates to the StatsCan survey of family spending habits, which constitutes an intolerable invasion of personal privacy.

In view of statements made this morning on national television by the deputy chief statistician for Statistics Canada to the effect that Canadians could be prosecuted under the Statistics Act for refusing to co-operate in this tedious inquisition—which amounts to 45 pages of questions and three hours of work—will the minister advise this House as to the rationale for such a frivolous and costly project at a time when the government needs to borrow billions just to supply essential services?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Actually, Mr. Speaker, Statistics Canada has been cut back substantially and in terms of personnel and funding available to it I think it is doing a very good job. That particular survey is one which is carried out from time to time to ascertain the spending habits of the Canadian people. I think StatsCan expressed the view that about 80 per cent of the people surveyed quite readily filled out the questionnaire. The remaining people were not pressed and the department more than likely went on to another person rather than use the power it has under the Statistics Act.

Mr. Siddon: Mr. Speaker, if this survey is needed for purposes of determining incremental effects on the consumer price index, why can the information not be obtained much more cheaply by reference to the wholesalers and retailers of the country, instead of sampling every twenty-eighth recipient of family allowances and threatening prosecution under the Statistics Act?

Mr. Horner: Mr. Speaker, nobody is threatening prosecution.

Some hon. Members: Oh, oh!

Mr. Horner: It is a power that government gives to StatsCan so that they can make an accurate survey. In this particular case it is far more useful to ascertain the spending habits of people rather than what wholesalers sell to the country at large.

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RAILWAYS

HALL COMMISSION—INQUIRY WHEN ACTION WILL BE TAKEN ON RECOMMENDATIONS

Mr. Peter P. Masniuk (Portage): Mr. Speaker, my question is for the Minister of Transport. As the minister is aware, about one and a half years ago the Hall commission recommended for the CNR's Inwood subdivision, in the Interlake area of Manitoba, that either this line be abandoned and a spur line built across to the CPR line at Arborg, or alternatively, that grain be trucked some 40 miles to Arborg from the elevators at Fisher Branch on the Inwood line as an off-line loading experiment.

In view of the fact that almost two years have gone by since these recommendations were made, could the minister tell the House and the people in that district when the government is going to take action on the Hall recommendations and which one it is likely to adopt? The farmers of the district would like to know.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the Prairie Rail Action Committee looked at some of these questions which were left unresolved by the Hall commission. It examined the "off-line" elevator concept in connection with its other work, as we have also done internally. The proposals now have to be examined from the point of view of alternatives. I anticipate that within the next three or four weeks the government will make a decision on the question of trucking assistance of a variety of kinds. That should affect the Fisher Branch situation.

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COMPUTER COMMUNICATIONS

REQUEST FOR ASSURANCE OF ADEQUATE SAFEGUARDS TO PREVENT INVASIONS OF PRIVACY

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the President of the Treasury Board who is responsible to parliament for setting government-wide standards for security on electronic data processing. In view of the fact that one expert who is here today, Professor Eric Manning of the University of Waterloo computer science department, has stated that the government's safeguards on the networking of computers are so lax that massive invasions of personal privacy will be possible in the near future, can the minister assure the House that no further networking of government computers will take place until such times as adequate safeguards have been put in place?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, it is my understanding that we have investigated these uses of government computers but we have a limited role

as far as that is concerned. Our investigation shows that a series of applications has been made to us in the last little while, all of which have been examined carefully and did not involve any further extension or any further invasion of privacy as far as additional uses were concerned. We are endeavouring to monitor things, as far as the use of the SIN number is concerned; and I would take issue with the assertion made by the professor.

● (1500)

Mr. Beatty: Mr. Speaker, unlike the President of the Treasury Board, Professor Manning is an expert in the field.

My supplementary question is for the Minister of Employment and Immigration. It relates to the use of the social insurance number. In view of the fact that Professor Manning has stated that the spreading use of the social insurance number as a computer filing number greatly facilitates invasions of personal privacy and that "until we have proper laws to regulate the use of information, the use of social insurance numbers should be pared right back", will the minister act now to put a stop to the proliferating use of the social insurance number?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I have in the past answered a series of questions in this area. I have indicated that under the human rights legislation specific provision was made giving authority to the President of the Treasury Board to monitor the use that is made of social insurance numbers to determine if there is in fact any invasion of privacy.

In addition to that, although it is probably not technically within the responsibility of the department, I have indicated that I intend to ask the advisory council to look at the issuance of social insurance numbers so that we can have any recommendations they might wish to make.

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POINT OF ORDER

MR. McKINNON—PROCEEDINGS DURING DEBATE ON ADJOURNMENT MOTION

Mr. Speaker: Order, please. Yesterday the hon. member for Victoria (Mr. McKinnon) raised a point of order with respect to the reporting of the adjournment debate on Tuesday evening in *Hansard*. I have checked the record and have determined that the *Hansard* recording of the events which took place on Tuesday evening is accurate.

* * *

PRIVILEGE

MR. WENMAN—CANADA COUNCIL ANNUAL REPORT

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, I have given you notice of my question of privilege, although following the last several days of question period I am tempted to raise another one. I have given notice of my intention to raise the question regarding the Secretary of State (Mr. Roberts).

Section 23 of the Canada Council Act specifically states that the chairman of the council must submit an annual report to the Secretary of State and, I quote, "provision shall be made for a review thereof (of the annual report) by parliament". To date there has been no review of the Canada Council's annual report or of the council's mandate. Of course, when the estimates of the Secretary of State's department are before the appropriate standing committee, the Canada Council and its staff respond to various questions put forth. The Standing Committee on Broadcasting, Films and Assistance to the Arts has, however, never had the council's annual report referred to it, nor has there been a review by parliament as legislated by the House of Commons.

There are several pieces of legislation which place similar demands upon the government as found in clause 23 of the Canada Council Act.

Section 46 of the Anti-Inflation Board Act obliged the government, if it wished to extend the controls period beyond their December 31 expiry date, to present a motion on the order in council which would outline the extension. Clearly if the order in council was given to extend the controls, then three days hence a motion would have been laid before parliament.

Section 20 of the Electoral Boundaries Readjustment Act states:

> The House of Commons shall, within the first fifteen days next after the expiration of that period that the House of Commons is sitting, take up the motion and consider the matter of the objective.

Clearly, if the procedure in section 20 of this legislation is followed through, the House of Commons must debate that motion.

Finally, section 18(2) of the Government Organization Act obligates a member of the Queen's Privy Council to propose a motion in the House when the governor in council creates a new ministry of state by order in council.

If the government chose not to fulfil the obligations in the above pieces of legislation it would be an indisputable breach of privilege. I, along with other members, would not be able to discharge my duties in this House.

On June 27 in the House of Commons I brought to the attention of the Secretary of State the provision for the review within the legislation and asked him if he would refer the annual report to a parliamentary committee. The Secretary of State replied:

> I would have absolutely no objection to such a course of action, if the members of the committee express their desire to meet through the chairman, and that such should take place.

Immediately I sent a memo to all members of parliament asking them if they felt there should be a review of the Canada Council. I asked for these memos to be returned to my office. Members from all sides of the House were in support that the legislation should be followed and that a review should take

place. I forwarded copies of the memos to the Secretary of State and asked him to sponsor in the House the necessary order of reference to the committee so that I might discharge my duty. The minister responded that the request should be placed before the steering committee. The matter of the review was brought up before the steering committee, as suggested by the minister, and support was indicated there for review as well.

Subsequently at the November 23 meeting of the Standing Committee on Broadcasting, Films and Assistance to the Arts, the Secretary of State said:

—I would be reluctant to recommend to the committee that they undertake a study simply of the Canada Council.

After this circuitous route the Secretary of State finally indicated that he has no intention of sponsoring the needed order of reference. This is the "normal" course that the Prime Minister (Mr. Trudeau) referred to earlier! There should be ways in this House of Commons that we can have an opportunity to express our point of view and debate the issues at hand.

I am not debating the failure of the committee structure. I am only telling you, sir, that I have followed all courses open to a private member, in order to bring this matter before the House of Commons, and I have found them closed. The last remaining route is this area of privilege where the Secretary of State is in contempt of the House of Commons by not fulfilling his legislative duty under section 23 of the Canada Council Act.

It amazes me that in less than four months the Secretary of State would have such a dramatic change of opinion from saying, "Yes, I agree. I will make the reference." Then, following through the procedure, he has once again thwarted the role of parliament according to the statutes of Canada.

The Secretary of State is treating artists like children by allowing his cabinet colleague—

Mr. Speaker: Order, please. The hon. member is making a point under the heading of privilege which relates to his ability to examine this report by the Secretary of State. He may have other opportunities to critize the Secretary of State, or others. However, I think the hon. member should stick with the basic merits of the argument.

Mr. Wenman: Mr. Speaker, the Canada Council's legislation makes it very clear that it is the duty of parliament, that is, that members undertake a review of the Canada Councils' annual report. The government's lack of provision for such a review prevents me from carrying out my duties in the House of Commons as the elected member for Fraser Valley West. The Canada Council Act obligates parliament to review the annual report. Admittedly the obligation is unique in this legislation, but the Canada Council's connection to parliament is unique and therein lies the reason for this review. The minister has broken his word to parliament and to the member for Fraser Valley West. He is, in my opinion, in contempt of the legislative direction of parliament thereby preventing the member for Fraser Valley West, as well as other members, from expressing their points of view on such a review.

[Mr. Wenman.]

Hon. John Roberts (Secretary of State): Mr. Speaker, thank you for the opportunity to comment on the allegations made by the hon. member for Fraser Valley West (Mr. Wenman). It seems to me that the hon. member has confused two questions, and as a result it has lead to erroneous conclusions. The first is the question of the obligations imposed on the Secretary of State by section 23 of the Canada Council Act. The motion of the hon. gentleman refers to the refusal of the Secretary of State to fulfil the obligation conferred by section 23. If members of the House were kind enough to read section 23 of the Canada Council Act they would see that the obligation referred to in section 23 is an obligation which attaches to the chairman of the council, not to the Secretary of State.

I would be pleased to transfer to the House a report of the Canada Council. Indeed I do transfer to the House reports of the various agencies which report to parliament through me as soon as I receive them. However, I cannot perform the deliverance of that which I do not have, and I do not have the report of the Canada Council. If there is a failure of obligation under section 23 of the Canada Council Act, it lies not on the part of the Secretary of State but on the part of the Canada Council which is not yet finished that report.

• (1510)

The second matter, which is a distinct and different matter, to which the hon. member has referred, is the question of whether the House or, more specifically, the Standing Committee on Broadcasting, Films and Assistance to the Arts should conduct an inquiry into the operations of the Canada Council. I have said in the past that it is not for me to direct the members of the committee as to how they should work. The proper course of action for a member who wishes to see a certain matter discussed by a committee is to address that question to the steering committee so that the steering committee may consider the matter and make whatever recommendation it desires.

Whether the hon. member accumulates a petition, with goodness knows how many names of members of the House who are concerned to have that happen, is not strictly speaking relevant in that manner. What is relevant is that the steering committee make a recommendation. If that is the concern the member has, that such an inquiry should be undertaken, he should not take his concern to me but to the steering committee and ask that committee, via the chairman, to make a recommendation to me.

If he were to say to me, do I think this is a good moment to undertake such a review, I would say to the hon. member, as I have said to him, frankly, no. The reason why it is not at this time especially appropriate to undertake such a review is that we have under way, as the hon. member knows, in the Department of Secretary of State, a review of the government's cultural policy, our strategy of funding to the arts. It would seem to be much more valuable to the members of the committee to look at the Canada Council and its operations in that larger context which I hope will be available soon, and

available to members of the committee soon. A useful discussion of the Canada Council in isolation from that wider perspective should not be undertaken at this point.

The hon. member, as a member of that committee, and in fact all members of the committee, do now and have always had the opportunity to cross-examine the Canada Council on its operations when the estimates in the normal way are before the committee. That right, duty, and obligation have not been taken away from the committee. They are still there. The possibility of the hon. member throwing himself fully into that work, as he has done in the past, is still there. There is no lack of opportunity to examine the Canada Council and its operations in the normal process.

If the hon. member is asking whether we should have a special inquiry, I say that is not the best thing to undertake at this time given the fact there is a more general review under way which will be a more suitable framework for discussing this question, and the question of artistic policy generally.

To sum up what I have said, if his complaint is that I have not ordered, asked for, or agreed to an insurance of instruction to the committee, to undertake an examination of the Canada Council, I would say that is so. It is not primarily my responsibility to take that position. I do not think it would be a wise action to take at this time for the reasons I have just discussed. That may be a matter of debate between the hon. member and myself. However, if his question is whether I have somehow slighted him and the House in general by a failure to meet the obligation of section 23, I must point out that the obligations of section 23 of the act refer not to me but to the members of the Canada Council.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I want to comment briefly on the first part and the last part of the minister's comments. He introduced a notion which must be challenged immediately and tossed out. In essence, the minister told the House that, as the minister responsible to parliament for the Canada Council, he cannot be held responsible for the fact that the head of the Canada Council might not obey the law passed by parliament in respect of the operations of that council.

I submit, if that argument is allowed to stand and accepted, it throws quite a different light on the question of ministerial responsibility. There is no way parliament can get at the Canada Council to hold it responsible except through the responsible minister. It is most inappropriate for the minister to stand up and say he may be the minister responsible for the Canada Council, but do not hold him responsible if the head of the Canada Council does not obey the law under which it operates.

Mr. Speaker: For the moment, I have considered the arguments put forward by the hon. member for Fraser Valley West (Mr. Wenman). The motion he would move, and of which he gave me notice, is relative to the refusal of the Secretary of State (Mr. Roberts) to fulfil his obligation pursuant to section 23, and the obligation to ensure that this House is provided with an opportunity to review the annual report of the Canada Council. That is the basis of his question of privilege, as I understand it, both from his remarks and from the text of the motion of which he has given me notice.

For the moment the Secretary of State has put that point to rest because he has indicated he does not have the report. I must accept his word. If he does not have the report, he obviously cannot refer it to the House. If the report is in his hands at a later time, or if in fact there is some action to be taken against the chairman for failing to file the report with the Secretary of State, that may be so.

The essence of the hon. member's question of privilege at this time is the refusal of the Secretary of State to ensure examination of the report by parliament. The minister told the House today, and I must accept it, that he does not have the report and therefore cannot ensure that at this time. There may be other matters the hon. member may wish to raise on further investigation. However, for the moment any question of privilege which is today related to a refusal of the Secretary of State has to be set aside subject, of course, upon further examination by the hon. member, to any action which might relate to a failure on the part of the chairman and the council itself.

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POINT OF ORDER

MR. BAKER (GRENVILLE-CARLETON)—STANDING COMMITTEE ON FINANCE, TRADE AND ECONOMIC AFFAIRS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order with regard to exchanges that occurred during the course of the question period between the Leader of the Opposition (Mr. Clark), the hon. member for York-Simcoe (Mr. Stevens), the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Chrétien). They had to do with the Standing Committee on Finance, Trade and Economic Affairs and its jurisdiction with regard to the question of interest rates and the policy of this parliament to examine the fiscal and monetary policies of the government, notwithstanding the fairy tales that we have heard about the goodness of that policy from the Minister of Finance.

I raise this because the chairman of that committee, the hon. member for York Centre (Mr. Kaplan), is now in the chamber. Unfortunately he was not here during the course of today's question period. Therefore we could not put to him directly the matter of the exchange of correspondence between members of the official opposition and himself as chairman with regard to convening a meeting of the committee to deal with the Bank of Canada, the governor of the Bank of Canada, and interest rates.

The hon. member for Don Valley (Mr. Gillies) has been referred to as one of the addressees of the letter from the committee chairman. I joined the hon. member for Don Valley in directing the original letter to the committee chairman on January 10, 1979, asking that that committee be convened as quickly as possible. I was chided on my knowledge of the rules,

that the committee could only consider matters referred to it by parliament. I was told I should know that, as well as the fact the committee chairman had no authority to call a meeting of the committee. The House has been left in that position.

The country may have been left with the impression that during the appearances of the governor of the Bank of Canada at three meetings prior to the Christmas adjournment it would have been within the rules and quite proper for the governor to have been examined with regard to the policy of the Bank of Canada, interest rates, the floating dollar, the differential in interest rates between Canada and the United States, the effect of such differential on the international flow of funds, and a host of other matters such as unemployment.

The reference the committee had at that time was clearly to examine the subject matter of the Bank Act. If we had thought it proper to have that new subject bootlegged into a discussion of the Bank Act and thought that the chairman, who knows the rules of that committee, would have allowed that line of questioning, of course that would have been done. It would have been absolutely inappropriate. The chairman knows this to be the case and he indicated as much in his letter. The chairman knew it would be quite inappropriate for any questions to be asked during those sittings of the committee.

● (1520)

As a result of that, and as a result of a series of increases in the bank rate and the effect they are having on the economy—and despite what the Minister of Finance says, the effect is devastating and is reflected in the level of the Canadian dollar today—we asked the chairman of the committee to convene a meeting of the standing committee. His reply to us was correct, I think, from a procedural point of view. He said he could not do so on his own initiative. He said the committee could only consider matters referred to it by parliament and that, in the absence of authority from parliament to call such a meeting, he could not do so on his own initiative. He is not under the thumb of the government—I assume he is not, because he went on to say that this matter could be raised in the House of Commons and, for his part, he would welcome such an initiative. I asssume the situation is not so improved that the initiative he said he would welcome on January 12 would not be equally welcome now that we have returned to Ottawa. Well, we have renewed that initiative in asking for a special reference to that committee.

The chairman of the standing committee is in the House today, having been absent from the question period at which time we might have put questions to him directly. When inquiring as to the order of business we could have asked him whether or not it is his intention to screw up his courage and request the Prime Minister to make the reference for which we have been pressing—

Some hon. Members: Order!

Mr. Speaker: Order. The hon. member will recognize that, while he may have an interesting argument to advance, it is not a point of order. The question could have been put to the chairman of the committee under the rules during the question period, because questions related to committees can be put to committee chairmen at that time; that is part of our practice. But for me to permit a line of questioning to take place now under the guise of a point of order would be to invite, every day, an extension of the question period on the same basis, and I cannot find a way under the rules of doing it.

[Mr. Baker (Grenville-Carleton).]

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PRIVILEGE

MR. CROSBIE—PROPOSED PRESS CONFERENCE TO BE HELD BY MINISTER OF INDUSTRY, TRADE AND COMMERCE

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise on a question of privilege. It relates to the action which the hon. gentleman who is President of the Board of Economic Development Ministers (Mr. Andras) proposes to take this afternoon when he tables the response of the government to the recommendations of the consultative task force on the Canadian shipbuilding and repair industry. I submit it is entirely wrong from a procedural point of view. The Minister of Industry, Trade and Commerce (Mr. Horner) plans to hold a press conference after he has tabled this document; the press will be able to ask questions and discuss that government's response to the recommendations, or lack of it. I maintain this should be done by way of a ministerial statement in the House which would provide an opportunity to members to ask questions and discuss what the government is doing or not doing with reference to that task force report.

I want to protest the lack of courtesy and the lack of consideration we are shown as critics on this side of the House in connection with matters like this. We should receive copies of these submissions earlier. I got one from another member on our side who somehow received a copy—I presume we cannot talk about it until the minister tables it. I want to protest the lack of courtesy and consideration shown to me by the Minister of Industry, Trade and Commerce, as the critic on this side for matters within this field. Considering he was in opposition for 16 or 20 years, the way he treats us on this side of the House is abominable. We never get advance notice of anything from him, nothing is ever arranged so that we get information ahead of time.

My question of privilege is this: the privileges of members of the House are being abused by the minister tabling a statement which we cannot comment upon here, and then going outside the House and discussing it with the press at a press conference at which we will not be heard, either.

Mr. Speaker: The hon. member for St. John's West (Mr. Crosbie) raises a familiar question of privilege related to the action of ministers making statements elsewhere. I say it is familiar, because it is as old as the history of parliament. The precedents are clear. Ministers enjoy the right to make statements either here or outside the House; it does not constitute a

question of privilege for a minister to make a statement outside the chamber.

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POINTS OF ORDER

MR. KAPLAN—STATEMENTS CONCERNING MEMBER'S LETTERS

Mr. Bob Kaplan (York Centre): Mr. Speaker, statements have been made here in the House during and after the question period concerning letters I have written and my intention with respect thereto, and whether I am an independent member of parliament or under the thumb of the government. I should like to comment on the remarks which have been made. I feel I ought to have the opportunity to reply—

Mr. Speaker: Order. I understand the hon. member's desire to respond to the point which was raised on a point of order, but it was not a point of order and I am not able to give the hon. member an opportunity now.

MR. MARTIN—STANDING COMMITTEE ON FINANCE, TRADE AND ECONOMIC AFFAIRS

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I rise on a point of order having to do with the subject matter of an exchange today between the Leader of the Opposition (Mr. Clark), the hon. member for York-Simcoe (Mr. Stevens), the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Chrétien) on the issue of the finance committee and the work before it. I simply wish to make the point that the question of the appearance of the governor of the Bank of Canada was never brought before the steering committee, which is the normal place to discuss the appearance of witnesses who might or might not be called before standing committees. The issue was never raised either in the steering committee or in the full committee. The governor did, in fact, appear on one occasion on November 28, and I never—

Mr. Speaker: Order. Members on both sides can surely understand that these are disputes either with regard to the content of questions or about answers given to those questions. We cannot carry on a debate like this under the guise of a point of order.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have no desire to try to upstage the hon. member for Grenville-Carleton (Mr. Baker), but today is Thursday and I wonder whether we could be told the business of the House for the rest of this week and the first part of next week.

Business of the House

Mr. Cafik: Mr. Speaker, we shall continue today with Bill C-9, the referendum bill, and after its completion, hopefully today, we would take up Bill C-2 having to do with the Health Resources Fund, for third reading. Then we would move to Bill C-12, second reading, amendments to various superannuation acts, following which we would take up Bill C-37, amendments to tax legislation and the Canada Pension Plan and providing borrowing authority. Next Friday, February 9, by agreement, we will be calling an opposition day. In the interim—I put this slightly out of sequence because we are not certain of the order—we would like to deal with Bill C-35; presumably an agreement, a House order, could be arrived at to dispose of this measure expeditiously. Of course, we also continue to have an interest in Bill C-29, amendments to the National Housing Act.

Mr. Baker (Grenville-Carleton): I wish to thank the hon. gentleman for his very complete answer to the question. As he knows, I sent him a note during the question period indicating the questions I would put to him. He has had time to prepare his answer, and I appreciate it.

Mr. Nystrom: Why not thank the hon. member for Winnipeg North Centre (Mr. Knowles)?

Mr. Baker (Grenville-Carleton): I also thank the hon. member for Winnipeg North Centre (Mr. Knowles). I am somewhat disappointed with the hon. member's answer, however. Perhaps he could consider with the government House leader the obvious importance of the question of the reference to the Standing Committee on Finance, Trade and Economic Affairs, to which reference was made earlier, in order that the governor of the Bank of Canada could be examined for the purpose of explaining to the people of the country the policy behind the moves which have done nothing but raise interest rates and cause hardship—

Some hon. Members: Order!

Mr. Baker (Grenville-Carleton): Given the exchanges which have taken place, I wonder whether the deputy House leader would undertake to consult with the chairman of the standing committee or with the government House leader, the Deputy Prime Minister, (Mr. MacEachen), to see whether such a reference might be made and this matter dealt with.

Mr. Cafik: Yes, Mr. Speaker, I would undertake to do that. I have already discussed this matter with the chairman of the Standing Committee on Finance, Trade and Economic Affairs and confirmed to my satisfaction that no request has ever been made directly before that committee.

Some hon. Members: Hear, hear!

Mr. Cafik: There seems to be some dispute. I realize there has been an exchange of letters but I am assured that no formal request has been made directly to the steering committee or to the full committee. I understand that there is going to be a meeting of the steering committee this afternoon, very shortly. I am quite sure that this matter will be dealt with and

that a decision will be made. I feel confident that the steering committee and the full committee are capable of dealing with this question adequately, but if there is a disposition by the steering committee and the full committee that they do not have the capacity to deal with the questions which they want to bring forward, I am sure that the matter could be dealt with further. However, I have no doubt that they have full and complete power to deal with all the questions hon. members want to put to any witnesses which are relevant to banking in Canada.

* * *

● (1530)

PRIVILEGE

MR. BROADBENT—ANSWER GIVEN BY PRESIDENT OF THE BOARD OF ECONOMIC DEVELOPMENT MINISTERS DURING QUESTION PERIOD

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a question of privilege arising from an answer given earlier in this House by the President of the Board of Economic Development Ministers (Mr. Andras) in response to a question I put to him. Your Honour will recall that earlier I was objecting to the fact that the Government of Canada was giving to the pulp and paper industry hundreds of millions of dollars precisely at a time when this industry experienced an increase in profits of about 150 per cent. This industry does not need any handouts.

In his reply the President of the Board of Economic Development Ministers said that the government was responding to a report which had been endorsed by government, by the private sector, and by the workers involved. I was a little surprised when I heard that because I had been in touch with some of those people, and the minister's response certainly did not square with what I understood. So, during the question period I obtained a copy of the report which has been tabled, and on the last page of the report under the title "Membership of the Forest Products Industry Consultative Task Force" there is a footnote, and the footnote reads as follows:

Mr. L. H. Lorrain was unable to agree with substantial parts of the task force report.

Mr. L. H. Lorrain happens to be the head of the largest union representing paper workers in Canada. He is the principal spokesman on the task force for workers, and he flatly disagrees with this report, as he will be saying in a press conference this afternoon.

I suggest that the minister either deliberately or inadvertently misinformed the House because his own task force report says something completely contrary to what he told the House earlier today.

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): Mr. Speaker, in response to the point raised by the hon. member for Oshawa-Whitby (Mr. Broadbent) I will simply indicate that the President of the Board of Economic Development Ministers (Mr. Andras) cannot, unfortunately, be here at this moment. I would like, on his behalf, to reserve an opportunity to respond to the important point which has been raised by the hon. member, and the minister will do so tomorrow.

[Mr. Cafik.]

ROUTINE PROCEEDINGS

[*English*]

TABLING OF DOCUMENTS

CANADIAN FOREST PRODUCTS INDUSTRY—CANADIAN SHIPBUILDING AND REPAIR INDUSTRY

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, pursuant to Standing Order 41(2) I have pleasure in tabling, in both official languages, the federal government's responses to the recommendations of the consultative task forces on, first, the Canadian forest products industry and, second, the Canadian shipbuilding and repair industry.

I would also like to table, in both official languages, two papers outlining the national development policies for these two industries.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 563, 638, 642, 706, 747, 835, 840 and 895.

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

[*Text*]

NUMBER OF PERSONS MURDERED

Question No. 563—**Mr. Halliday:**

How many (a) policemen (b) custodial officers (c) other persons were murdered in (i) 1974 (ii) 1975?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Statistics Canada reports that the number of policemen, custodial officers and other persons murdered in 1974 and 1975 was as follows:

	Policemen	Custodial Officers	Others
1974	6	1	539
1975	2	3	632

NEW FIGHTER AIRCRAFT

Question No. 638—**Mr. McKinnon:**

1. Did the Minister of National Defence state before the Standing Committee on External Affairs and National Defence on March 18, 1977, that the distribution of the new fighter aircraft would be approximately 50 for Europe, 55 for North American Air Defence and about 25 for the North flank and, if so (a) how many would be used for training (b) will the balance be enough to maintain prudent minimum defensive capabilities and to ensure sovereign surveillance and control of Canada's airspace?

2. Can the roles which the NFA will be required to fulfill be arranged in order of priority and, if so, what are they?

3. Of the six planes examined by the NFA Project Office (a) which have the capability to destroy Air Launched Cruise Missiles (b) which in existing configurations can work with Airforce Warning and Control Systems (AWACS)?

4. Depending on which plane finally wins the NFA contract, does the government contemplate asking NATO for a change of our air role in Europe?

Hon. Barney Danson (Minister of National Defence): 1. Yes.

(a) Eighteen to twenty-four aircraft will be used for training depending on the type and number of aircraft purchased.

(b) Yes. Considering the multi-role capabilities of the contenders a dual tasking posture is possible where, for example, training aircraft could be operationally assigned to NORAD or NATO and some sovereignty aircraft could be additionally tasked with the north flank commitment.

2. No. In the event of an emergency, priorities could be established depending on the nature of the emergency and the perceived threat. This flexibility is made possible by the multi-role capabilities of the contenders.

3. (a) All NFA contenders have a capability to destroy a cruise missile.

(b) All NFA contenders will be capable of operating with the airborne warning and control system (AWACS).

4. Currently, there are no plans for a change of the air role capability and the two finalists ensure flexibility, if required.

EXCHANGE RATE FLUCTUATIONS ON CONTRACTS

Question No. 642—**Mr. McKinnon:**

Did the ADM Material indicate to the Standing Committee on External Affairs and National Defence on March 14, 1978, that an effort is made to include exchange rate fluctuations in the calculation of the escalation factor on capital purchases and, if so, by what percentage was it anticipated that the Canadian dollar would be devalued or revalued over the life of the contract against the (a) American dollar for the LRPA contract (b) deutschmark for the tank contract (c) Swiss franc for the AVGP contract?

Hon. Barney Danson (Minister of National Defence): Yes.

(a) and (b) Inclusion of exchange rate fluctuations in the calculations of escalation factors for the capital program is a recent innovation, and at the time the LRPA and tank contracts were negotiated, currency fluctuation was not considered to be a problem. Consequently, the LRPA and tank contracts did not include a forecast of currency fluctuations.

(c) Since the AVGP project was approved in constant dollars, based on the current DND economic model, which now caters to both inflation and currency fluctuations, it was not considered necessary to forecast currency fluctuation for this contract.

PARACHUTES

Question No. 706—**Mr. Jones:**

1. Where is the Canadian parachute training school?

2. Are there facilities in Edmonton for packing parachutes?

3. Is parachute jumping a part of the exercises at Petawawa?

4. Are parachutes dried and packed at Petawawa, and if not, where are they packed? What is the cost of transporting the parachutes to Petawawa, if they are not folded there?

Hon. Barney Danson (Minister of National Defence): 1. Canadian Forces Base Edmonton, Alberta.

2. Yes.

3. Yes.

4. Only on rare occasions. Generally, parachutes are packed at the Canadian Forces Parachute Maintenance Depot, Edmonton, Alberta. The approximate cost of moving parachutes between Edmonton and Petawawa for the period 1 Dec. 77—1 Dec. 78 was $75,000.

CENTRES OF EXCELLENCE

Question No. 747—**Mr. Howie:**

Since June 1, 1978, how many applications were received by the (a) Ministry of State for Science and Technology (b) Treasury Board, for designation as Centres of Excellence?

Mr. Yvon Pinard (Parliamentary Secretary to President of Privy Council): I am informed by the Ministry of State for Science and Technology and Treasury Board as follows:

(a) Since June 1978, the Ministry of State for Science and Technology has received a total of 44 proposals and inquiries regarding Centres of Excellence. Of this total, 11 were in the form of applications, 27 were written requests for information or statements of intent and 6 were made by telephone of through meetings with ministry officials (see list below).

(b) Treasury Board has received no formal applications in this regard. Any informal inquiries would have been redirected to the Ministry of State for Science and Technology.

June 1, 1978—December 31, 1978

Expressions of Intent and Requests for Information

Region	Proposals	Written Inquiries	Meetings or Telephone Conversations	Total
Atlantic	4	4	1	9
Quebec	2	5	—	7
Ontario	1	8	3	12
Prairies	3	8	2	13
British Columbia	1	1	—	2
Northern	—	1	—	1
Totals	11	27	6	44

Order Paper Questions

SMALL BUSINESS FINANCE PROJECTS—RICHMOND

Question No. 835—**Mr. Beaudoin:**

1. Since 1968, did the Ministry of State (Small Business) finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Ministry planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: 1. The only applicable program would be the Small Business Intern Program. The "SBIP" was initiated in July 1978 with a budget of $5.4 million and it is funded by the Canadian Employment and Immigration Commission and administered through the regional offices of the Department of Industry, Trade and Commerce with guidance from the department's small business secretariat. The objective of the program is to help create new positions in small businesses for unemployed graduates of community colleges and universities.

To date, a total of 132 new positions have been created in small businesses in the province of Quebec under this program. Regional breakdowns within a province are not available.

2. Not applicable.

INDUSTRY, TRADE AND COMMERCE PROJECTS IN RICHMOND

Question No. 840—**Mr. Beaudoin:**

1. Since 1968, did the Department of Industry, Trade and Commerce finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

1. Project and Area

	Fiscal Years					
	73/74 $	74/75 $	75/76 $	76/77 $	77/78 $	78/79 $
Program to Assist Footwear and Tanning Industries ($61,952)						
Richmond		13,200		25,346	15,644	7,762
Program for Export Market Development ($6,455)						
Kingsbury	5,275		690	490		
Workers Metric Tools ($1,067)						
Tingwick					26	
Asbestos					95	85
Wotton					51	194
Bromptonville						23
Disraeli					593	

2. (a) $7,872

[Mr. Pinard.]

(b) Program to Assist Footwear and Tanning Industries—Richmond.

FEDERAL BUSINESS DEVELOPMENT BANK—N.B.

Question No. 895—**Mr. Howie:**

On April 1, 1978, how many (a) offices (b) employees of the Federal Business Development Bank were located in New Brunswick?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: four offices and 35 employees of the Federal Business Development Bank were located in New Brunswick on April 1, 1978.

* * *

[*English*]

POINT OF ORDER

MR. PATTERSON—DELAY IN ANSWERING QUESTION NO. 180

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I would like to bring to the attention of the parliamentary secretary a question standing on the order paper in my name, and numbered 180. This question first appeared on the order paper in January of last year. I do not think it is very controversial, and I cannot understand why, after over a year, it still has not been answered. I think I have been relatively patient, but I ask the parliamentary secretary if he would make a special inquiry to ascertain the reason for the delay in answering question No. 180.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to President of Privy Council): Mr. Speaker, I shall be pleased to look into the matter as requested by the hon. member.

[*English*]

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

Some hon. Members: Agreed.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

THE CANADIAN ECONOMY

DECLINE IN VALUE OF CANADIAN DOLLAR

Mr. James Gillies (Don Valley): Mr. Speaker, I gave Your Honour notice that I planned to move a motion under Standing Order 26.

This week the Canadian dollar has entered a state of renewed and greater crisis. Yesterday the value of the dollar on international money markets reached its lowest level since

April, 1933. In view of the serious and escalating problems this is causing the Canadian economy, and in view of the urgent need to deal with the situation before it deteriorates even further, it is absolutely critical that this House discuss the implications and consequences of this situation and hear from the government about its plans and remedies to overcome the problem.

Mr. Speaker: Order, please. The hon. member will know that in raising this matter pursuant to Standing Order 26, of which he has given me notice as he has said, he is raising again for the Chair a very difficult problem because the provisions of Standing Order 26 require some initial decision on the part of the Chair as to whether the matter is in fact, as described in the language of paragraph 16(a) of the Standing Order, a genuine emergency.

I want to refer to some language I have used previously. On January 24, 1977, a matter was raised with respect to unemployment levels. On December 6, 1977, the matter of unemployment conditions was again raised in an application pursuant to this rule. While I will not bore the House with the details of my language at those times, it related to the fact that this was a chronic problem in the country regarding an aspect of the economy, and as a chronic problem it ought not to be considered as the kind of emergency which is the proper subject of applications pursuant to Standing Order 26.

I said the same thing with respect to the value of the dollar, which surely falls under the same general condition.

However, I am sure the hon. member will know that on February 22 of last year, pursuant to a joint application by the Leader of the Opposition (Mr. Clark) and the Leader of the New Democratic Party, the hon. member for Oshawa-Whitby (Mr. Broadbent), I reviewed all the provisions of this standing order and this same application with respect to the level of the dollar at that time. I then concluded that all other conditions with respect to this standing order had been fulfilled, and having some doubt as to whether this matter at that time constituted the kind of emergency envisaged by the standing order I extended the benefit of that doubt to the hon. members and granted a debate.

I now must consider the matter again as a result of the application by the hon. member for Don Valley (Mr. Gillies). I did so in February of last year and departed for that one time from this line of reasoning. I think I have highlighted the difficulty the Chair is placed under with respect to chronic problems in the country when they are made the subject matter of applications pursuant to this standing order. The Chair is obviously put into the invidious position of saying, for example, "If 7 per cent unemployment is a chronic problem, does 8 per cent become an emergency?" The level of the dollar has been at 83 cents, 84 cents or 85 cents. Does a further one cent drop constitute a continuing chronic economic problem in the country, or does it at a certain level become a crisis or an emergency which should be the subject matter of an application pursuant to this standing order? I think the hon. member and other hon. members will understand that this is not the kind of decision the Chair can make with any more precision than the House.

● (1540)

I do not think the purpose of the standing order was to expect the Chair at some point in respect of a chronic problem to say it has suddenly become bad enough today, or as a result of yesterday's figures, or of a consumer price index release, that a problem which has been with us throughout our history in various degrees suddenly should become the subject of an emergency application. Although I allowed that one exception, because I fell strongly that if this order is part of our standing orders I should not take a position which totally frustrates the operation of the order because, as members will realize, and as I said at that time, when the House turns its mind to a debate pursuant to the standing order, it has an immediacy and a relevance that often the other labours which we put into our legislative timetable lack because of pressures of time and so on. Therefore, I am sympathetic, as I was on that occasion, but I do not think I will continue to make that kind of a decision on a chronic problem, and therefore under these circumstances I say that I do not accept the application at this time.

I wish to say also at this time that subparagraph (5) of the standing order requires me to take into account the opportunity that the House has had in this session, and ones it will have in this session, to examine this problem. I can scarcely overlook the fact that it was not only discussed on several days as part of the question period—I have tried to take a generous attitude toward questions on this subject because of its importance—but was also discussed extensively in the throne speech debate and in the budget debate which was concluded on November 24, which is recent. There are a number of opposition days. I do not like to say how they should be used, but they do present opportunities. So I cannot say that opportunities for a debate on this subject do not present themselves in other ways. So, in general, I have to set the hon. member's application aside.

* * *

POINT OF ORDER

MR. ALEXANDER—POST OFFICE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to follow up a point of order with Your Honour regarding the question raised yesterday in which the hon. member referred to CUPW. At that particular time the Postmaster General (Mr. Lamontagne) accepted that that was the postal union inasmuch as his answer to the hon. member for Hamilton-Wentworth (Mr. Scott) came after the hon. member had referred to CUPW. The answer of the Postmaster General was as follows:

Mr. Speaker, this question has been drawn to my attention. The position of my department was that it was an internal matter with the postal union.

So I think it was a mix up, but I just wanted to say that my remarks regarding the question of privilege with reference to that union of course were in error because I was following the

sequence of events and we were talking about another union, CUPW, which was not the union involved. Therefore, my remarks should be taken in that way, but keeping in mind the fact that the point which was raised by me still stands because we were talking about postal workers who were undergoing harassment from which they should be protected in terms of government statements made during the postal dispute.

GOVERNMENT ORDERS

[*Translation*]

CANADA REFERENDUM ACT

MEASURE TO PROVIDE FOR HOLDING OF REFERENDUMS ON CONSTITUTION

The House resumed from Wednesday, January 31, 1979, consideration of the motion of Mr. Lalonde (for Mr. Reid) that Bill C-9, respecting public referendums in Canada on questions relating to the Constitution of Canada, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Richard Janelle (Lotbinière): Mr. Speaker, I should like to resume from yesterday my comments in connection with Bill C-9 which is, in my opinion, one of the most negative ever introduced in the House of Commons. It has been motivated by fear. The government is fearful and, not unlike the events in October 1970, it would like to stir up another crisis but in a different way. With Bill C-9, the confrontation is restricted to Canada, our country.

There are some points in that bill which I would like to raise. It gives a discretionary and discriminatory authority to the government to choose the provinces where in theory a referendum could be held. This means that the bill would not necessarily have a national scope or fall under a truly federal jurisdiction. If it were passed, it would be possible to decide as early as tomorrow to hold a referendum in four Canadian provinces and then on the basis of the results obtained try to enforce a particular decision on that province. This is certainly one of the dangers of this bill. Moreover, the government comes up with a rather doubtful argument to the effect that when the referendum takes place in Quebec, the Parti Québécois could bias the question and phrase it in such a way that people might not exactly understand its meaning. As far as this is concerned, let me refer to the question which was asked during the 1942 plebiscite held by a Liberal government. The question was not particularly clear and I suggest there is no guarantee that the question asked on a federal referendum would be any clearer. In 1942 the question was as follows: Would you agree to discharge the government from any obligation resulting from previous commitments restricting the mobilization procedures for military service? No reference whatsoever was made to conscription. Yet, we all know that this plebiscite was held with a view to drafting Canadians into the armed forces, but it was put in milder terms to entice people into supporting conscription in Canada. We all know what the outcome was. The province of Quebec alone voted against conscription, all the others were in favour. Maybe the English version was clearer. Who knows! That is one of the dangers. We cannot assume that the federal government will necessarily be more honest than the Parti Québécois in Quebec in the way the question will be put. There is a danger of distorting the question. We are assuming that that is what Quebec will do. But Quebec can also assume that we, the federal government, will do the same. We are knee-deep in assumptions.

Also, this legislation is restrictive to an extent. It authorizes referenda only on constitutional matters. Why not other issues such as capital punishment, social policy? We could even go one better, like some countries and some American states, into tax fields, taxation, the people could be consulted on those issues as well. Also, this bill does not allow a citizen to ask for a referendum.

● (1550)

A province is not allowed to pressure the federal level to a referendum. Neither is a group of citizens. Only the governor in council may request a referendum at the federal level. This limits the will of the citizens. I think that such a possibility in Bill C-9 might be more palatable than the restrictive measures which exist now. I suggest the government should consider changing its bill to include at least part of what the opposition is seeking. I feel the federal government exists to maintain harmony in the interest of all Canadians and that it should take into account any constructive suggestion made by the opposition. And I hope that when we reach the committee stage, it will introduce amendments or at least propose some changes to this bill.

There is another clause in the bill which limits the broadcasting time allocated to the federal government and federal and provincial parties to three and one-quarter hours. I must admit that at first sight it does not seem too fair to me. There is a fairly large number of provincial parties across Canada and the air time allotted to those parties will be very restricted. This legislation goes even further when it provides that a party with one member sitting in a provincial legislature will be recognized as a political party. This is not recognized at the federal level but only at the provincial level. They want to divide and rule. There is a danger in monopolizing air time: the federal government could then make a national issue out of it. But if a province or a provincial political party is against the option, it would be restricted within a small region to express its views. This is not giving equal opportunities to all.

One thing that is often forgotten is that if we have a federal parliament, a federal government, it is because there are provinces, and if all the provinces decided overnight to become

a specific entity, a separate country, there would be no more federal government. If the federal government were to disappear, the provinces would remain. I think the essence of the Canadian confederation was precisely to acknowledge particular entities, provinces with specific areas of jurisdiction which decided to pool some sectors of activity saying: we will create a central government with powers to administer jurisdictions of our own choosing.

In 1968, the present Prime Minister (Mr. Trudeau) was elected because he promised to solve national unity problems. Well, if national unity problems have been solved, I wonder in what sector it happened. Things are worsening on the constitutional side because of the adamant attitude of the Liberal government. It does not seem that our Prime Minister wants to reverse this situation. He is chiefly responsible for the state of crisis we are experiencing now and now he will go before the Canadian people pretending to be the saviour of the nation. Some saviour!

In the ten years he has been in power he has tried everything to reduce the jurisdiction of the provinces, to centralize at the federal level, and this loss of powers has gradually led us to the present crisis which we are now trying to solve by means of national confrontation within Canada.

I suggest we should seriously, in our conscience, think that the Fathers of Confederation did not want a divided country, they tried to build a united country by establishing a fair and equitable division of powers. We are no longer talking about a Canadian confederation, the word is federation. Not the same thing by a long shot. A federation is a group of states accountable to a central government, while a confederation is made up of sovereign nations which decide to pool certain sectors of activity, in their common interest. I believe we should come back to a real confederation to establish harmony and national unity in this country.

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, we have already heard many different comments on the bill respecting public referendums in Canada. First, let us look at the reasons for this decision by the government. We could dwell on some problems which most hon. members know and which are the reasons for the decisions the government made concerning this new piece of legislation. This formula of consultation has already been used in different countries. There are probably a few advantages to it, provided the many disadvantages which could arise in the style used in the drafting of the questions which will be asked are foreseen in the implementation of the rules.

The general organization of a referendum can be compared with the organization of a general election each time the elements are similar. For example, in both cases there is a national vote and the electors are the same, namely those who are on the permanent election list. The same officers will probably be used and they will probably have the same responsibilities. Finally, the details on the material organization will have to be established in consideration of the experience acquired; it is a matter of convenience and of efficiency.

What gives value and usefulness to a referendum, advisory though it may be, is the attitude of the government of the day in relation with the issue of the referendum, namely whether or not it is prepared to give consideration to the will of the public and consider itself bound by such will. A government can always promise that it will accept the result of a referendum. That is what Mr. Wilson's British government did before the referendum on maintaining British participation in the European Common Market. In our parliamentary system, where the written constitution makes no reference to referenda, it is necessary to enact legislation concerning the holding of a referendum and the way it will be organized. That can be useful in certain circumstances. Everything depends on the events which occur and on the way in which it is used. That is what was done in countries where the parliamentary tradition is similar to ours, namely in Great Britain, Australia and New Zealand. In all those instances a bill was introduced respecting a referendum on a specific matter and even spelling out the question to be put to the voters. In the newspaper *Le Devoir* of December 17, 1976 there was an article entitled: "Spain Referendum Lesson" summarized somewhat the inconveniences and advantages that can result from a referendum. After having pointed out that, of those who voted, 94.2 per cent voted yes and 2.6 per cent of the population had abstained from voting, it said, and I quote:

● (1600)

This is where some truths must be grasped and the real question put. Might the watchword to abstain not be a strategic error, all the more unforgiveable that it fed—the success of the referendum has proved it clearly—on a false perception of Spanish realities? Ideologically speaking, some will claim great democratic ideals while rejecting compromise. That position could very well be justifiable. But does one defend democracy better when proving one's weaknesses?

I point out, however, that in these times of economic problems of all sorts it may not be as advantageous as some believe to make a permanent institution of a formula that has not been tried.

If we spent more time discovering the reasons which have led to our discussing this bill, we might discover that the most ingenious means would be to solve, beforehand the problems that are likely to crop up later. I remember full well that referendums have been asked for on various occasions in Canada, all bearing on very important topics. I shall mention the suggestion made to the government that a referendum be held before the bill on capital punishment was passed. For reasons that are difficult to explain, our administrators did not deem it wise to agree to those suggestions, but the fact remains they would have given solid reasons to the legislators and so enabled them to give a better orientation to legislation in that field.

In the last few years, we have noticed that polls of all sorts have become quite fashionable. Public opinion poll firms are developing very sophisticated questionnaires to submit to their

patients. However they are far from being ready to point out under the group "undecided" the increasing number of those who should be more properly included under the group "disgusted". I also remember reading somewhere what seem to me to be useful advice concerning referendums, namely that a policy of over-control could jeopardize the equal opportunities provided to the options involved.

In a report published in the newspaper *Le Devoir* on October 21, 1977, entitled "The Referendum War" by Robert Décary, the following could be read:

The campaign for the provincial referendum has hardly been launched in Quebec and already Ottawa has decided to organize its own referendum. It is fair play. Even if the contents of the bill have not yet been disclosed, it is possible that in the near future Quebeckers will be called to vote twice about belonging to the Canadian nation. No provision for the withdrawal of a province appears in the British North America Act, so it seems that Ottawa as much as Quebec could hold its own vote.

It is a clear indication of a sick political system when two levels of government can in turn and each in its own way legislate in the same field; and this is no doubt a further reason to treat the "patient" and to make sure that under the new system, such a situation cannot be repeated. But for the moment, we will have to live with the system and submit to the rules of the game.

In 1942, we had some kind of public consultation in the form of a plebiscite. Many certainly remember the reactions to the announcement of that plebiscite.

The "yes" won nationally by 63.7 per cent to 36.3 per cent. So the country as a whole agreed to release the government from earlier promises. The kind of crisis that followed stirred many Canadians and changed several ideas. It is often when two nations are fiercely opposed that one can measure their vitality. I mentioned that kind of consultation, which was not a referendum strictly speaking, in order to show that one must be careful when holding a public consultation in a country like ours. Since the events that took place in Canada in 1976, all citizens and their governments were led no doubt to reconsider carefully their convictions and their position.

In an article published in *Sélections du Reader's Digest* for the month of May, 1977, and entitled "Confederation in Danger" I read the following by the hon. member for Halifax (Mr. Stanfield) who sits in this House, which I think is quite relevant and I quote:

We must choose between the blind pursuit of our individual interests and the common good. We must give up the narrow-minded visions we have of Canada at times and consider everyone's needs and desires.

And he went on:

The direction taken by political leaders will be of prime importance because it will provide leadership; yet, they can do nothing without the support of every Canadian. The federal government will have to consider the consequences of its actions in the various areas of the country; Canadians for their part will have to try to ponder the effects of their statements, their actions and their individual reactions.

The article ends on this:

Maintaining Canadian unity always had a price. We must be prepared to compromise, to make concessions, even reluctantly. The fate of our country depends above all on our moderation and our will to survive. We are now going through a difficult test and we will know shortly if we are worthy of our heritage.

I have already stated in this House that our duty as legislators would be to allow all Canadians to live as heirs instead of being perpetually indebted. If the government would really try to find an effective remedy to cure that sickness called fear of the future instead of legislating on referendum issues, we would avoid many difficulties, most of which result from our ineffective financial system. When we consider the damage caused by this system which produces indebted heirs, we find many causes which should be understood so that we can put some order in the present confusion.

However, I recognize that in the history of some countries many referendums have been held, sometimes on constitutional issues or to find a solution to controversial matters. Between 1911 and 1928, six referendums were held in New Zealand on prohibition and the sale of alcoholic beverages. Since then they have used that kind of popular vote many times.

In the United States, they held referendums at the very beginning of that nation. At the declaration of independence in 1776, Connecticut, Massachusetts, New Hampshire and Rhode Island had their constitution approved by a direct vote. In 1778, Massachusetts was the first state to have recourse to that practice for its constitution which was rejected in public meetings across the land. Some authors maintain that it was the first time legislation was subject to a popular vote by way of a referendum.

• (1610)

On November 12, 1933, Adolf Hitler held a plebiscite at the same time as a general election. This election was held to obtain approval for a unique list of candidates to the Reichstag and the referendum to get approval for the withdrawal of Germany from the League of Nations. As a matter of fact, Hitler often used a referendum to gain support for his foreign policy. After his rise to power, he used the referendum essentially to show the other countries that his teams had the general support of the population.

We could ask ourselves this question: Of what use would future referendums be? Of course, they would be used to answer or to try to answer questions or problems about which the government must make decisions, but which could cause electoral embarrassment among a large sector of the population. We must recognize that a government must often take certain action which goes against the interests of certain groups. The concept of referendum could therefore be used to justify unpopular policies. Thus, in certain conditions, a referendum could become a strategy much more than a democratization of power. There are many problems too complex for a referendum to solve.

Let us consider for instance our energy problems; they are so complex that the experts themselves do not agree. Should we use a referendum to determine whether or not to develop nuclear energy? The citizens would not know what to decide because they are all more or less afraid of radiation. It would be difficult to use the results of a referendum to develop a long term energy policy. Just as if doctors asked their patients to choose their own therapy and medication.

In summary, referendums are political strategies much more than they are an effective means of popular participation in

the affairs of the state. Even if white papers are published on the subject, this does not necessarily mean that the intentions of the government are as pure as driven snow. We sometimes hear about separation and even subdivision. We must not forget that there are citizens with separatist ideas throughout the country. Fortunately, there are not that many of them at the present time. However, at the proper time, it would be wiser to keep the debate on a conversational level, which could eventually lead to a Canadian union based on new and realistic concepts.

It is too late to rewrite the history of our country but we could find a formula of agreement in our modern Canada which would allow us to carry on together, to work in harmony and to develop our enormous potential of resources. Perhaps we could try to develop a few minds which appear to me far too proud to recognize the rights of others at the appropriate time. It is not because we lack legislation in our country, we might even have too much of it. The referendum bill might just be one more law out of many which, most of the time, are written in such a way that they cannot be understood.

Lately I had the opportunity to read in *Le Devoir* of March 29, 1977 an article about the new government in France and I want to quote an extract of a speech which was given by the French president on that occasion where he attributed to the new government the two following tasks, and I quote:

—First of all, our economy being on the way to recovery, we must pursue in that direction as it is vital for France and for the French. Your standard of living and your jobs depend on that recovery.

Then we must launch a 12-month action program accompanied by specific objectives. This program will have to meet the concrete areas of concern of the French and contain simple measures, explained in plain words easily understandable by everyone."

That is what we forget to do here when we write our bills. They are always very complicated. I remember drawing the attention of the members of the House to the fact that our laws are written in style which is far too complicated. We would need to seek formulas easily understood by everyone.

On April 4, 1978, *Le Droit* of Ottawa reported the first part of a speech made by Mr. Gérald Beaudoin, a member of the Pepin-Robarts Task Force on Canadian Unity. He was invited to comment on the constitutionality of the referendum. I quote a part of his speech on constitutional jurisdiction:

In 1969, under the Bertrand government, the Quebec legislature studied an organic bill on a consultative referendum. The Lévesque government tabled its referendum bill in 1977. The constitution definitely grants a legislative assembly as well as the central government the authority to pass legislation respecting referenda on issues which come under their respective jurisdictions.

In the last few years much has been said about the constitution of Canada, now to amend, now to repatriate and more recently to renew it, emphasizing what it should be and seldom what it was, stressing the distribution of powers and educational and linguistic guarantees without realizing that we were reducing the 147 initial clauses of this act down to 4 or 5.

The constitution is more than a cluster of powers or rights which may be amended, repatriated or reformulated. It also means a political way of life, a choice of institutions, an almost invisible structure within which every citizen exercises his rights and without which he might have no right at all or exercise them differently. The constitution is the basis and the guarantee of social order.

We should take a more comprehensive and concrete approach to this and provide a more specific framework for the discussions which have been at a standstill for far too long. Our institutions have been set up only to serve the people that founded them and when they have become obsolete it is time to amend or replace them so that they get closer to their objective.

After 110 years of Confederation, Canada is facing the vital need and the moral obligation created by the parties concerned to reassess its attitude and position in a modern world. Our task now is to build the kind of Canada we would like to live in, not one which is imposed upon us from the outside, this does not imply a rejection of our past, but rather a positive, forward-looking attitude and a progressive, humanistic outlook.

Our past is gone by. The present quickly ebbs into the past. We must build the future, not only our own but that of our country and our fellow citizens because only in the future shall we be able to find gratification for our present yearnings and desires. History has decided that Anglophones and Francophones should share the same country as partners, albeit unequal, who have survived in the midst of many difficulties. All Canadians, within and without Quebec, can overcome their fears, prejudices, frustrations and resentment and learn to live together in a true spirit of brotherhood. In our country two races, two glorious histories are living side by side with just one common future. Every Canadian has the duty to make sure that our hopes will be fulfilled.

[*English*]

Mr. Stan Schumacher (Palliser): Mr. Speaker, I feel compelled to say a few words in the debate on this bill because in June, 1977, I introduced a private member's bill calling for a national referendum on the question of possible Quebec separation. I noticed that in his introductory remarks on December 12 the Minister of Justice (Mr. Lalonde) said that was one of the purposes of this bill, the main purpose being to allow the government to ask the people of Canada generally about possible constitutional questions, now that we have been pretty actively engaged over the last few months with the question of a new constitution for Canada. There is every indication that this process will intensify in the months ahead.

What bothers me about this situation is the fact that the government wants to reserve unto itself the privilege of deciding when a referendum will be called, what question will be asked, and which citizens of Canada will be allowed to answer the question. I believe, generally speaking, that we have to give consideration to this system of direct democracy because over the last number of years this institution has not been responsive in a number of areas.

● (1620)

I believe my friend, the hon. member for Champlain (Mr. Matte), said yesterday there are questions besides constitution-

al ones that are important in people's minds, for example, the question of capital punishment and that of abortion. Those types of questions could come to a more satisfactory resolution if they were dealt with by referendum. However, the government does not seem disposed to consult Canadians on matters of that kind. I believe it is clear to every member of this House that a vast majority of the population, approximately 70 per cent to 80 per cent, would like to see capital punishment in effect in Canada. But because of the operation of our present system that will is frustrated and thwarted. As a result, people have come to believe they have no representation in this chamber.

In one respect I am pleased that the government is not saying absolutely that the general citizenry is forbidden from expressing a direct opinion, but I feel a means could be provided in this legislation by which citizens at large could determine what type of question they would like to see dealt with by referenda on an initiative basis.

The present legislation allows the government the absolute right and discretion concerning what questions will be asked. It has been pointed out before that a referendum has never been lost in Canada. We do not have a long history on the use of referenda. Some people have said what history we do have is not particularly happy when one considers the results of the two referenda that were used in the first and second world wars with respect to conscription. Many people believe that some of the problems that exist in the country today flow directly from the use of referendums in those times. It appears that all governments are prepared to make use of a referendum when they think it can help them to avoid a problem. In the case of the referendum held during the First World War it was a Conservative government that made use of the procedure, and during the Second World War a liberal government made use of it.

To date we have had the experience of the government being sole arbiter as to how, when, and if a referendum will be held. The government is now moving along to create a permanent structure to allow it to proceed in this manner in an easier way.

I am discouraged that the government is not prepared to allow Canadians to voice their opinion concerning the type of question that could be asked. It seems to me the government should be forced to listen to the people because the government wants to consult with Canadians to get itself out of some tight situations.

I am concerned that the present legislation leaves to the government's discretion the question as to who will be able to vote on any referendum it decides to hold. In the present situation the main impetus for this bill is in response to what has happened in Quebec. Just because the Levesque government has stated it will hold a referendum, the federal government appears to want to hold its own referendum in that province. I suggest that it is incorrect for the federal government to impose a referendum on people living in any one region of this country. The federal government, being a national government, should concern itself only with national affairs. If the question of the status and place of Quebec is a national question, then Canadians as a whole should be consulted.

[Mr. Schumacher.]

The Minister of Justice, in a statement made earlier this week, has given the impression that any referendum on the status of Quebec in a continuing Canada will be dealt with solely by the population of Quebec. I think this is wrong. This legislation that we are dealing with should be amended at some stage to make it quite clear to everyone that, if the federal government decides to hold a referendum, it would be confined to questions to be dealt with by the entire population of Canada. It is not proper for the federal government to be able to conduct a referendum sponsored by it solely within the confines of Quebec. In my opinion, Canadians generally would like to have something to say about the possible break-up of this country. I would like to be consulted as to the possible future make-up of Canada. I repeat that it is absolutely improper for the federal government to say that it wants to be armed with a tool to allow it to conduct a counter-referendum within the boundaries of one province.

I understand there are some members from the province of Alberta who are concerned that this legislation might be used by the federal government to help it obtain the right to control and direct the development and use of the natural resources of Alberta, and to take over control of their administration. I suppose it is quite possible, the way this bill is framed at the present time, that the federal government could conduct a referendum in the eastern part of Canada asking whether the national government should have complete control over the natural resources of the provinces. In this particular case, whether they said it was all of the provinces, the question would apply primarily to one province, that is, my province of Alberta.

As the Minister of Justice pointed out in his remarks, these are purely consultative votes. They are not binding on anyone. However, this type of procedure could be used in a manner that could create more division than unity in the country. I do not think that is the best argument against this bill. Where a question involves an individual citizen so intimately, there must be provision for that citizen to be consulted. There can be improvements made to this legislation.

• (1630)

I am a little concerned about the statement of the Minister of Justice to the effect that any possible referendum on the future of Quebec will be dealt with only by the citizens of Quebec. That was unfortunate to make that statement before the bill is even passed. At least the minister is honest enough to indicate his feelings. However, it is wrong.

I would like to see the bill amended so that if any question is a national question, every citizen in Canada is entitled to vote on it. If it is not national, the national government does not have any right to ask the question.

I hope consideration will be given to my arguments when this bill goes to committee. The federal government should be prevented from becoming involved in provincial politics. That is not their right. It should stay in its own field, the national field.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I had no intention of taking part in this debate at the second reading stage, but in view of what some newspaper articles may cause Canadians to believe concerning us, as members of the Social Credit Party of Canada, a party which serves indeed as the official Quebec opposition in the Canadian parliament, I feel it is my duty to make a number of observations to clearly define the position of our party and that of the hon. member for Bellechasse (Mr. Lambert) in respect of Bill C-9.

I listened most attentively to the eloquent remarks the Minister of Justice (Mr. Lalonde) made when he introduced this bill. Mr. Speaker, many years ago there was in my riding a great nationalist and a great Canadian, Mr. Armand Lavergne—older members certainly remember him—who made resounding remarks in this House while defending within parliament the rights of Francophone Canadians. And I am happy and proud to represent the same riding. And I would like to follow in those steps, to imitate these shows of strong will, of Canadianism, of nationalism, of support for the development of this country and also to be a great defender of what is contained in the Constitution and which guarantees to the French-speaking people equal rights in their country.

Mr. Speaker, to those members who are relatively young, who perhaps are not familiar with our history of the last decades, of the beginning of the twentieth century, I would like to say this: It was during the war of 1914-18 that at a certain point in time, the Canadian government felt that it should take up arms and have Canadians serve in the armed forces and it is then that the conscription act was passed by the parliament and subsequently enforced.

It was under a coalition government that this act was passed and that conscription became compulsory and I remember that Canadians still had the chance to volunteer. I have a brother who volunteered and served overseas for many months, 30 or 32 if I recall, and who fought bravely as all other Canadians did and who at that time believed he was fighting for the course of Christianity, civilization and liberty.

After the war was over, Mr. Speaker, elections were held as they are in our times. I was still very young and I attended one of these political meetings. As we had no parish hall at that time, the meeting was held in the local shoe repair shop. The school building was close by. So, after school, as I already felt a desire to participate in the political life of my country, I went to this meeting and I enjoyed listening to the speeches. Naturally, I was ignorant of those things and I could not pass judgment on all that was said, but my brother who had fought during the war was there. At one point, he challenged the man who was speaking: Stop telling us lies, just tell the truth to these people. I went overseas, I know what happened there and what you are saying now is not true. You must stop this nonsense. The speaker was a brilliant lawyer from Quebec city and he was behaving just like a king in this little town. So he paid no attention to the advice he had been given and he went on. A second time my brother told them. That is enough, just step down from there! He answered back: Nobody is ever going to make me step down. He had hardly said those words that my brother caught him by his tie and took him down. He twisted his tie to the back of his neck and so subdued him, and he had to stop talking. I say this, Mr. Speaker, to show how a battle was started which is still going on today. This is what has brought us to this Bill C-9 respecting public referendums.

● (1640)

Later on, I noticed that during every federal election the same thing happened. This was also involved at the provincial level. Let us remember that Liberals used to tell French Canadians: "Vote for us and you will never be called upon to take part in extraterritorial wars against your will. Vote for us, and conscription will never come to Canada."

Mr. Speaker, it was easy to make that kind of promise when there was no danger of being put to the test. But when the time came to fulfil their commitment, the Liberal government weakened, although on the government side, Liberal members accounted for 99 per cent of members of this House. Then on September 1, 1939 the government proclaimed the War Measures Act and established censorship. Let us make note of the dates: September 1, 1939. The then Prime Minister, Mr. King, called parliament in and stated that were the United Kingdom to declare war, the government had decided that parliament would immediately meet and would be asked to approve efficient co-operation between Canada and Great Britain.

On September 3, Britain declared war. The same day, national defence regulations came into force in Canada. From then on it became a crime to impede recruiting or the success of Her Majesty's forces. Parliament met on September 6. The throne speech referred to the existing state of war. If it were concurred in, the Prime Minister would make a formal war declaration. French Canadian members here in Ottawa en bloc were against Canada's involvement in the war, but they realized that were they to oppose it, the hon. Ernest Lapointe, the then Minister of Justice and the Liberal leader in the province of Quebec, would be forced to resign from cabinet, the result of that resignation being that Prime Minister King would be left in the hands of imperialists, and conscription would shortly follow.

At that time the attitude of French-speaking members was explained in the newspaper *Le Devoir* by columnist Paul Sauriol.

And they accepted the principle of a moderate participation as the lesser of two evils, as a concession through which conscription could be avoided. Then they changed their mind. They were saying, we are going to participate moderately to avoir conscription. That is what happened later. In the course of debate in this chamber, the hon. Ernest Lapointe made a formidable statement. He said this:

The whole province of Quebec—and I speak with all the responsibility and all the solemnity I can give to my words—will never agree to accept compulsory service or conscription outside Canada. I will go farther that that: When I say the whole province of Quebec I mean that I personally agree with them. I am authorized by my colleagues from the province of Quebec . . . (Dandurand, Cardin, Power) . . . to say that we will never agree to conscription—

Thus, for the sake of national unity, Mr. Lapointe got the idea of a compromise accepted. It was the beginning of the end. Here is what we can read in a monography on conscription:

French-Canadians accept involvement in war whereas Anglo-Canadians accept to limit involvement to volunteering.

The Quebec premier, Mr. Maurice Duplessis, announced provincial elections for October 25, 1939 . . .

I remember the statements made at that time by politicians who were stating on the hustings that it was a scandal to hold elections while the country was at war. Since I have always enjoyed attending political meetings, I have so many memories on that subject.

. . . alleging a federal invasion of provincial jurisdiction by means of the war measures.

Duplessis was a shrewd man. He would sense that during those war years the provinces, and especially Quebec, would lose part of their autonomy. Events later on bore out his apprehension. With that manoeuvre, Mr. Duplessis thought he could transform an election into a plebiscite which would turn to his own advantage.

On the contrary, the election campaign is dominated by Ernest Lapointe who becomes its real strategist.

He heads the troops at the provincial election level.

Lapointe claims that the federal ministers from Quebec having been attacked by Maurice Duplessis, they would take up the challenge and ask the province of Quebec to give them the needed mark of trust. He does indicate clearly that if Duplessis won, the federal ministers from Quebec would resign and French Canadians would not have any supporters in Ottawa.

How extraordinary it is to see how they played with us. And here, I quote again from Mr. Lapointe's commitments:

And if I recall all those statements, it is to warn us against what could happen if we are not wise, if we rush things, if we try to get around legislative measures in other provinces by way of legislation. I for one prefer to follow the course of events. Before saying "yes" or "no" to a referendum, I want to know the question. That is normal! There was another referendum, in 1942, and I shall talk about that in a moment.

Here is what Mr. Lapointe said at the time, and he was very clear:

I told the English speaking majority in my riding and across the country, frankly, honestly, and squarely: we are going to co-operate, but you have to co-operate also to ensure the unity of Canada—

—we have been hearing of national unity for a long time.

—of the Canadian union, the future of our country . . . I pay tribute to my English speaking colleagues, to the majority of parliament, who have accepted this offer in a spirit of generosity, and all of parliament is bound by the promise that was made.

[Mr. Lambert (Bellechasse).]

So, Mr. Speaker—

An hon. Member: That was a long time ago—

Mr. Lambert (Bellechasse): I congratulate members for their youth, but we cannot all be of the same age—

Mr. Béchard: Are you referring to me?

Mr. Lambert (Bellechasse): The hon. member for Îles-de-la-Madeleine (Mr. Béchard) thinks we are talking about him. Yes, I recognize that he is still relatively young, and I hope he will serve parliament and Canada in this chamber for a long time to come.

So, Mr. Speaker, the Canadian government then decided to hold a plebiscite. I am certainly not a linguist, and I have to admit that I do not know the difference between a plebiscite and a referendum. But I look at the aims! And indeed a plebiscite was held in Canada to release the government, Mackenzie King, the Liberal party of the commitments he had made to French Canadians and Francophones in Quebec during many elections. Since those promises had been made to Francophones, it would have been normal that the plebiscite be held only among those whom the promise had been made to. But the plebiscite was held right across Canada. Obviously, Anglophones and Canadians in other provinces readily released Mackenzie King of the promises he had made to French Canadians but Francophones voted a massive "no". However, the government had been released by a majority in this country.

Mr. Speaker, I mention that because there is a direct relationship with Bill C-9. There are excellent things in Bill C-9, the procedures for holding a referendum and all that. It looks very much like the Election Act. That is why in principle the bill is great if it were a legislation to authorize the government and the parliament of Canada to hold the referendum on questions considered important, not on a specific question that concerns only the province of Quebec. That is where, Mr. Speaker, I cannot agree with this bill. Of course I will have to oppose it unless the government changes it when it is considered in committee to allow us precisely to agree with a general legislation on referendums, whether it be for the death penalty or another matter of national interest.

We have to remember history. There is a Canadian, the mayor of Montreal, Canada's metropolis, who, like me and many others, believed in the promises of the Liberal party at that time and when that government ordered national registration he felt justified in saying to his fellow citizens: I am not registering because I trust the promise that was made for years. He said: Do not register. And then he was picked up, sent to a concentration camp, kept there during the whole war, without any trial. I find that extraordinary, abominable. There is another Canadian who was sitting at the time in the parliament of Quebec, at the National Assembly. He died recently in the month of December. I am talking about René

Chaloult. Another brilliant lawyer, a passionate nationalist. Thanks to him Quebec has its fleur-de-lis flag. I am annoyed, Mr. Speaker, with those young members in the Quebec government who try to make people believe that this has come as a result of some legislation they have passed. It irritates me. I want to point out that he was the one who introduced the motion; then only did the parliament of Quebec, under Mr. Duplessis, pass a bill giving Quebec its fleur-de-lis flag. Things ought to be set out straight, they ought to be reported the way they are. Mr. Speaker, Mr. Chaloult was accused and then prosecuted for having made certain statements, for having repeated things said by Mr. Mackenzie King and others. He brought into court. I have here a booklet which sums up this trial. Fortunately, he was acquitted thanks to the brilliant defense of both his lawyers Fernand Choquette and Phillippe Monette. He was himself a great lawyer. He was able to plead his case while Camilien Houde could not. He did not have the opportunity to do so.

Mr. Speaker, I bring up all these things without any animosity; I would not want people to think that I hold a grudge because I do not, but before we pass this bill, I would like the younger members to look back on our history lest we provide the government with a weapon or a tool for which we could later be sorry. It is our duty to seriously examine the bills that are submitted to parliament, and I hope that at the committee stage, the government will introduce amendments which will revive our confidence in this bill should it ever become law. Since I had said I would be through before five o'clock in order to give someone on the other side the chance to conclude the debate, I shall go no further and I hope that the next speaker will succeed in renewing our confidence.

● (1650)

[*English*]

Mr. Deputy Speaker: Order, please. Before I recognize the minister, I want to give notice to the House that if he speaks at this time he will close the debate.

Hon. John M. Reid (Minister of State for Federal-Provincial Relations): Mr. Speaker, I listened with a great deal of fascination to the speech just given by my hon. friend opposite. I am amazed at his recollection of history and of some of the facts he discussed. The referendum called by Mackenzie King in the parliament of 1942 for 1943 was a fascinating exercise of the power of a government to call a referendum.

I want to point out to my hon. friend a contrast between what happened in the First World War and what happened in the Second World War. In the First World War there was no referendum, and the result was that Francophones in Quebec did not go to the polls to express their discontent. They went to the streets in riots. In the Second World War there was an opportunity for them and all Canadians to express their wishes in the polls. As my hon. friend has pointed out, it is true that the vote went against the people of Quebec, but the fact of the matter is that in 1944 Louis St. Laurent was elected in Quebec to become Minister of Justice in the government of Mackenzie King. That was a significant achievement because it meant that the people of Quebec accepted the results of the referendum and Louis St. Laurent as their leader. Otherwise there is no possible way Louis St. Laurent could have been elected under those circumstances. If hon. members go back and look at the record, they will find that St. Laurent campaigned on that point.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am sure the minister does not want to distort history. Mr. St. Laurent was elected in 1942, before the referendum was held.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Reid: Mr. Speaker, I would like to carry on after eight o'clock.

Mr. Paproski: It is not five o'clock yet.

Mr. Reid: Mr. Speaker, it had been arranged that I would have 15 minutes in which to speak. My hon. friend went on for a considerable length of time, and I am not so sure that I should give up my opportunity to speak.

Mr. Paproski: Mr. Speaker, I rise on a point of order. I suggest that we not see the clock, allow the minister 15 minutes or whatever he wants, perhaps until 5.15, and then proceed with the vote. I hope that there is unanimous consent for that. I am sure my colleague would forgo his private member's hour today and proceed on another date.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, the hon. minister has just confirmed that an agreement has been reached whereby he would have fifteen minutes before five o'clock to deliver his speech.

According to the hon. member for Villeneuve (Mr. Caouette), such an agreement was negotiated with the Chair and the time agreed upon was not 15 minutes, but five. A difference of ten minutes is a lot. I still had many things to say, but I wanted to keep my promise. I was watching the clock so that the hon. member could have his five minutes. I gave him five minutes. However, I would not want anyone to make incorrect statements as I myself could have spoken longer. I still had many things to say, but, I wanted to stick to our agreement, and I would like the hon. minister to recognize that I acted in a gentlemanly fashion.

Mr. Lachance: Mr. Speaker, the hon. member should neither be allowed to mislead the House. He was delivering his speech when the agreement was reached. I was dealing with his colleague. We agreed not on five or 15 minutes, but on ten minutes. There has been a misunderstanding, but I do not think that we should make a mountain out of a molehill.

[*English*]

Mr. Reid: Mr. Speaker, if the House will give me five minutes—

• (1700)

Mr. Deputy Speaker: Do the House and the hon. member for Red Deer (Mr. Towers) give consent to allow the minister to go beyond five o'clock to complete his remarks in five minutes?

Some hon. Members: Agreed.

Mr. Paproski: Mr. Speaker, this is so agreed.

Mr. Deputy Speaker: Is it also agreed that the question should be put after the minister has completed his remarks?

Mr. Paproski: Yes, Mr. Speaker, at 5.05 p.m. or 5.07 p.m., or whatever is the appropriate time.

Some hon. Members: Agreed.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I will not object if he wants to go on. This I call behaving in a gentlemanly manner.

[*English*]

Mr. Towers: Yes, I agree, Mr. Speaker, but has it been established at what time the vote will be taken?

Mr. Deputy Speaker: The House has agreed that the vote will be taken immediately after the minister has completed his remarks, after the five minutes that were made available to him. Is this agreed by the hon. member also?

Some hon. Members: Agreed.

Mr. Reid: Mr. Speaker, I want to thank the House for this privilege. I had really intended to try to answer all the criticisms which have been raised on this bill in order to try to give a general summing up, but in view of the desire of the House to come to a decision I will not engage in that. Instead, what I would like to do is to indicate that a number of points have been raised that we would like to look into a little further. There has been the question of definitions that have been raised, and there has been a question on a number of items, particularly with respect to the question of definition of the constitution which has some members concerned. The definition which we have put into the act was the definition, which is a standard one, which describes the Canadian constitution.

The dilemma we face is that the Canadian constitution is not found in any one document or any one place, it is found in a collection of conventions and legislative enactments. When the decision was taken to allow referenda to be held on the basis of the constitution, we were forced to describe what our constitution was. In the United States, for example, it would be much simpler to describe the constitution, it is contained in a series of documents. Ours is in a series of legislative enactments, bills from the British parliament, as well as a number of statutes which we call constitutional, and that is why that definition is there. If we could find another definition which could describe adequately what our constitution was, we would be prepared to look at it.

The second point I want to raise is the apparent fear that members have about a question being put on the constitutional question, or indeed any kind of question on a referendum. The only answer I can give to that is that elections are divisive, people make choices in elections, parties take stands on particular attitudes and positions, and therefore the fear that has been expressed by a number of members that people would make the wrong decision on a referendum question strikes me as one that I cannot really accept because that is the nature of our democratic society. From that point of view I really cannot find that to be serious.

The second point I want to make before I sit down concerns the question raised by the Leader of the Opposition (Mr. Clark) who said we could use this referendum power to take away the powers of the province, that is, that a province might give up its natural resources through the referendum procedure. Frankly, we have looked at the bill and we cannot find how that kind of charge could be made. The referendum is not binding; it does not bind anyone to anything, which means it has no legal status. It is, as my friend, the hon. member for Westmount (Mr. Johnston), pointed out the other day, a glorified public opinion poll in a way, and therefore has no effect in law at all. Therefore it seems to me that the concerns that people have expressed about the possibility of this referendum taking away powers from the provinces simply do not stand up when one looks at what referenda can do. The hon. member shakes his head. I have listened to his speech and I have read it. He raised this point but he did not express anything except the fear of the question being put and what it might do.

It seems to me to be absurd to assume that the people in my home province of Ontario would vote to give up their natural resources to another province or to the federal government if they did not want to do so, and if they did want to do so, why not use the technique of a referendum to find out? I apologize to the hon. member because I have taken his argument to an absurd ending, but the fact is that the fears that were expressed on this point by hon. members opposite do not seem to bear a relationship to reality.

I want to say also, in answer to my friend who spoke just before me and who said he was interested in the fact that the committee would bring forward amendments, that I recognize that this is a complex bill because what we are doing is to build on to our Election Expenses Act a very complex process. We have taken a different route to that which has been taken in Quebec. We are prepared to look at amendments where necessary changes are to be made and where there are disharmonies in terms of two pieces of legislation, and I trust that members will have an opportunity to make their specific wishes known as soon as possible.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vancouver South (Mr. Fraser)—Labour Relations—Reason aircraft operations personnel without contract; the hon. member for Central Nova (Mr. MacKay)—Statistics Canada—Abolition of job vacancy survey; the hon. member for St. John's West (Mr. Crosbie)—Shipping—Pilotage rates for small vessels.

GOVERNMENT ORDERS

[*English*]

CANADA REFERENDUM ACT

MEASURE TO PROVIDE FOR HOLDING OF REFERENDUMS ON CONSTITUTION

The House resumed consideration of the motion of Mr. Lalonde (for Mr. Reid) that Bill C-9, respecting public referendums in Canada on questions relating to the Constitution of Canada, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): The question is on the motion of Mr. Lalonde for Mr. Reid. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Call in the members.

The House divided on the motion (Mr. Lalonde) (for Mr. Reid) which was agreed to on the following division:

• (1710)

(*Division No. 33*)

YEAS

Messrs.

Abbott
Allmand
Anderson
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blaker
Blouin
Breau
Broadbent
Buchanan
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
De Bané
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Douglas (Nanaimo-Cowichan-The Islands)
Duclos
Dupont
Ethier
Faulkner
Firth
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Gray
Guay
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Horner
Isabelle
Jamieson
Johnston (Westmount)
Joyal
Kaplan
Knowles (Winnipeg North Centre)
Lachance
Lajoie
Lalonde
Langlois
Laniel
Lapointe
Leblanc (Laurier)
Lee
Lefebvre
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacFarlane
MacGuigan
Marceau
Marchand
Martin
McIsaac
McRae
Milne
Nicholson (Miss)
Nystrom
O'Connell
Olivier
Ostiguy
Ouellet
Parent
Pearsall
Penner
Philbrook
Pinard
Portelance
Prud'homme
Rae
Raines
Reid
Robinson
Rompkey
Rooney
Roy (Timmins)
Sauvé (Mrs.)
Schumacher
Stollery
Symes
Tessier
Trudeau
Trudel
Turner
Watson
Whelan
Wood
Young—117.

NAYS

Messrs.

Alexander
Alkenbrack
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Beatty
Caouette (Villeneuve)
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Crosbie (St. John's West)
Crosby (Halifax-East Hants)
Crouse
de Cotret
Dick
Dinsdale
Dionne (Kamouraska)
Elzinga
Epp
Fraser
Gillies
Grafftey
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hare
Holmes
Huntington
Janelle
Jarvis
Johnston (Okanagan-Kootenay)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Lawrence
MacDonald (Miss) (Kingston and the Islands)
MacKay
Malone
Masniuk
Mazankowski
McCain
McCrossan
McGrath
McKenzie
McKinley
McKinnon
Muir
Munro (Esquimalt-Saanich)
Neil
Oberle
Paproski
Parker
Patterson
Peters
Pigott (Mrs.)
Ritchie
Roche
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shymko
Siddon
Stanfield
Stevens

Referenda

Messrs.

Stewart (Marquette) Towers Whiteway Whittaker Wise Woolliams Yewchuk—70.

● (1740)

Mr. Speaker: I therefore declare the motion carried.

Mr. Paproski: Mr. Speaker, I rise on a point of order. In view of the fact the hon. member for Red Deer (Mr. Towers)—

An hon. Member: We cannot hear you.

Mr. Paproski: My name is Paproski. It is right here. Can you hear me now?

Having regard to notices of motions for the production of papers No. 3 in the name of the hon. member for Red Deer who gave up his allotted time during private members' hour today, I would hope that he would be the first one up next Thursday, February 8.

Mr. Speaker: Is it agreed that under notices of motions for the production of documents, motion No. 3 standing in the name of the hon. member for Red Deer shall retain its position on the order paper?

Some hon. Members: Agreed.

Mr. Speaker: Shall we call it six o'clock?

Some hon. Members: Agreed.

Mr. Speaker: It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 5.50 p.m. the House took recess.

● (2010)

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

HEALTH RESOURCES FUND ACT

MEASURE TO AMEND

Hon. Monique Bégin (Minister of National Health and Welfare) moved that Bill C-2, to amend the Health Resources Fund Act, as reported (with an amendment) from the Standing Committee on Health, Welfare and Social Affairs, be concurred in.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt this motion?

Some hon. Members: Agreed.

Motion agreed to.

[The Acting Speaker (Mr. Turner).]

Mr. Deputy Speaker: When shall the bill be read the third time?

Some hon. Members: Now!

Miss Bégin moved that the bill be read the third time and do pass.

She said: Mr. Speaker, I would like to thank the members of the Standing Committee on Health, Welfare and Social Affairs for their fine co-operation in considering Bill C-2 during almost three working sittings. During those discussions it seemed obvious, I believe, that the decision to anticipate the final date for the expiry of that Canadian legislation which was aimed at the construction, acquisition, renovation and purchase of equipment and buildings for the individual training of health personnel, will not create serious problems concerning production and health manpower in Canada, or the availability of necessary institutions for that purpose.

As for professional and quasi-professional health groups, we now have in Canada a satisfactory level of personnel with adequate training. During the debate on Bill C-2, the major problem raised by opposition members concerned, as I see it, the financing of medical research in Canada. Support for medical research projects is not directly related to the Health Resources Fund programs being terminated sooner than expected by the bill under discussion tonight in the House.

In fact, under the Health Resources Fund Act, more than $100 million have been allocated to planning, construction or purchasing of equipment for research establishments related to training programs. That might be why many opposition members have used this forum to express their points of view and regretfully, I must admit, to criticize our very good work, not so much to criticize the good work but our attitude toward the Medical Research Council of Canada and, generally, the government financial support program for medical research in Canada. May I be allowed to dwell on it a few minutes.

The Medical Research Council, which is the main institution in Canada granting subsidies for medical research, is under the jurisdiction of the Minister of National Health and Welfare. It is a Crown agency which is distinct from my department and which has its own budget of over $60 million to which is added indirectly, through a specific program of my department, a budget of close to $10 million coming from what the government gives, what the federal government gives back for medical research from taxpayers monies. Those government subsidies amount to some 50 per cent of all subsidies given to that sector in Canada, the other 50 per cent coming mainly from the private sector, from associations like the Canadian Heart Foundation, the Canadian Cancer Society, the association for arthritis and so on, and for a few years, from small but well appreciated amounts given by some provincial governments. I consider that there will perhaps never be enough funds for medical research in Canada, and I

understand in this regard the constructive criticism which could be made to ensure funding. It will always be possible to increase the portion which is directed to medical research. But I fail to understand why the government is being criticized, rightly or wrongly, for not having done its part, because medical research is one of its priorities and will remain so.

The last positive decision dealing with biomedical researchers in Canada is the one the cabinet made to allow long-term financing, or in other words, guarantee the stability, of the Medical Research Council funding. A request to that effect had been made a long time ago. As a matter of fact, I believe it was made three years ago. It takes into account the fact that according to public opinion Canadians are eager to see medical research improved in Canada.

Therefore, before Christmas, I was able to announce a formula for determining the annual level of expenditures for the Medical Research Council from 1978 to 1983. It is noted that this five-year stabilization formula is absolutely unique as no government likes to commit itself ahead of time with one of its departments or agencies. Still, with the support of my colleagues, I made the point that the very nature of medical research requires that researchers know in advance where they are going, because the average project lasts three years, and because the money we give the Medical Research Council is used mainly to create jobs for technicians and one or two researchers who at times lead the teams. Jobs and people are therefore involved and I felt it was urgent that they be given some guarantee of stability with regard to the funds granted by the government. The present budget, therefore, amounts to exactly $63,002,000.

With the new formula, the basic budget of the council will now be figured out every year by adding to the current funds the increase in the cost of living index, plus the percentage of actual growth of our GNP, less one per cent. This calculation is intended to counter inflationary pressures that might build up within the system itself. Application of this formula, as approved by the cabinet, will mean a subsidy of $68.8 million will be paid to the Medical Research Council for the fiscal year 1979-80.

I indicated that this formula would be used to calculate the basic budget of the council, but another aspect of the government's decision is to favourably consider any application for additional funding, over and above this basic budget, which the council would submit to us for specific programs or priorities, for new and major projects aimed at upgrading the health of Canadians. Of course, the council is already funding many projects of a national scope. For instance, in 1977-78, it provided more than $3 million for research and training of researchers in the area of respiratory diseases. It provided more than $6 million for research on cancer and an equal amount on cardiovascular disorders. In the current year, the council is giving special encouragement to the expansion of research centres in cardiology. This explains the new programs in Winnipeg and Halifax. To the budget currently allowed to the council will be added, if need be, new proposals that will come from the scientific community.

● (2020)

[*English*]

The new budgetary provisions for the Medical Research Council will give assurance to those health professional schools in which the biomedical research effort has not yet achieved a solid base so that developmental funds would be available for the recruitment and support of additional faculty members competent in research. It is necessary that each such school have a research base with some depth as well as breadth so that its students will receive professional education which is up to date and the patients in the region will receive treatment which is also up to date. This development grant program has been a priority for the council as it has been for the government for many years. It is paying off, and its momentun can now be maintained without encroaching on the funds required for the maintenance of other efforts. With the new funding the number of highly qualified young investigators who can expect to receive salary support from the council as they develop independent research programs can be maintained at a level considered adequate to meet the demands of those who will also be assured of research funding.

These young scholars and their counterparts supported by the council under other programs may also look forward to a narrowing of the gap in 1979-80 between the salary provided by the Medical Research Council and the university salary provided to their academic colleagues. A slightly larger number of awards for research trainees will be available in the coming year than were awarded this year. Furthermore, the stipends attached to these awards are to be increased to offset somewhat higher living costs. This will be particularly welcome to those who are taking advanced training in centres outside Canada.

The greatest benefit to the research community to arise from the introduction of that new basic formula funding will, however, be felt by the investigators across the country who receive operating funds for their research from the Medical Research Council. The budget now proposed for the council and approved by the cabinet will provide for increases in ongoing grants which are more commensurate with the cost increases of research materials and supplies and the salary increases of the technicians and other assistants who are paid from these grants.

Investigators have in the past complained that on occasion they could only make ends meet by dispensing with the services of a technician. I am not sure of the extent to which that can be documented, but it is certainly true that biomedical research is a labour-intensive industry. I would like to impress on the public that fact, which is not known at all. I suppose if we were discussing this matter with neighbours or with people in shopping centres, they would think more is

spent on equipment, including monkeys and experimental animals, but each dollar we give to biomedical research through the grants of the council in fact helps support jobs, basically technicians' jobs. Some 65 per cent of the expenditures by the Medical Research Council grantees are for the payment of technical or other assistants or research trainees. With the proposed budget the president of the Medical Research Council has estimated that instead of jobs being lost, at least 100 more jobs will now be created. A formula based on economic indicators should serve to eliminate the stop-go effect on the biomedical research effort which has been the result of pressures in recent years created in part by inflation and in part by the increasing numbers of well trained young scientists seeking to establish research projects in our universities or hospitals.

Supporting even a minimal number of these young scientists and their research has in some years meant the interruption, if not the disruption, of research by investigators of long standing. Even with the new formula it will probably not be possible to support the research of all those who, in the opinion of their peers, are doing creditable work. However, combined with the realistic forward planning which this formula will permit—I want to repeat that the formula is a five-year funding mechanism—the new formula should ensure that well qualified young men and women with new ideas and new techniques and established investigators of longer experience are on an equal footing in the competition for research funds.

● (2030)

During the standing committee's study of Bill C-2 statements were made by a member of the opposition that the government's decision on the new funding formula for the Medical Research Council had not been well received by the research community. I am very pleased to see that gentleman in the House tonight and I would like to take this opportunity to answer that charge, to state strongly that I disagree with him and to say that, on the contrary, the new formula has been very well received by the Medical Research Council which is comprised largely of well-known Canadian scientists. I should also like to say that all the correspondence received by both Dr. Simard, the president of the Medical Research Council, and by myself reveals a very positive response on the part of senior and responsible members of the scientific community, among them, if I can name only one from my own city, being Dr. Charles Scriver, who appeared on two occasions as a witness at the invitation of the Standing Committee on Health, Welfare and Social Affairs to plead the case for stable funding.

Of course, this new five year plan will not, nor is it expected to, eliminate all the problems linked with biomedical research. It should, however, restore a degree of stability to the research effort which is essential if we are to make the best possible use of our resources.

If I go back to the exact nature of this bill, which is to cancel the health resources fund a few years ahead of its natural termination date, I must acknowledge that many members complained in the committee about the fact that no consultation had taken place with the provinces on introducing an earlier cut-off date after which no new projects are to be approved. The fact is that there was very little time for specific consultation when the final decision was taken. However, given the state of the economy, given the federal-provincial conference of first ministers in 1978, this program, as I explained in committee, was obviously a prime candidate for cuts because the fund had given most of what it could give to Canada. Provinces were informed of the proposed change by telex on September 8, 1978. They were also told that we would fully honour the commitment on projects approved to date. This program is not one with any formal federal-provincial agreement. Hon. members will remember that it was established by a law of this parliament in 1966 to enable the provinces to more rapidly develop health research and training facilities, and it has been successful in meeting this target. There was a need to curtail certain levels of planned expenditures in current and future department budgets for which I am responsible, and this decision was conveyed to the provinces.

[*Translation*]

When the Health Resources Fund was established in 1966, Canada had 12 schools of medicine and 880 doctors who graduated that same year. There was a ratio of one active doctor for 762 people. Compared to the most recent statistics for 1977 we realize that there are now 16 schools of medicine training twice as many physicians. There is now a ratio of two active civilian physicians for 568 people. When I say active civilian physicians I include in my definition general practitioners, family physicians and all specialists. New specialties have also appeared in Canada in recent years particularly in the field of rehabilitation, ergotherapy, cardiovascular surgery, pediatric surgery, nuclear medicine and cancer treatment medicine. Because of this, hospital environments have become extremely complex bioscientific centres where clinical research is always accompanied by highly specialized therapy.

A detailed study on the need for doctors in Canada by medical specialties was undertaken in 1972 at the cost of more than $300,000 by the federal government. The report on this vast research, which was published in 1975, shows that even though the specialist distribution by specialty is not always adequate and the geographic distribution could be better, the total number of doctors in Canada should not necessarily be increased.

Indeed, the ratio recommended by the members of Canadian medical associations associated with the study is one doctor for 670 people, which excludes interns and residents. If we consider that the latter represent about 15 per cent of the total number of doctors, we reach a figure of one doctor for 566 inhabitants. The fear of seeing an excessive production threaten the balance of medical staff has brought about a drastic reduction in the immigration of doctors through restrictive regulations which have caused a decrease in the number of doctors immigrating to Canada from 1,000 a year in previous years to a little over 300 a year in the last few years. Of

course, this is a strict minimum if we want to admit refugees and the spouses of immigrants.

Our medical schools now produce 1,700 graduates a year in Canada. This figure is quite sufficient, and we must realize that if we had to increase it, our present schools have a maximum capacity of 2,500 students. This is based on a study made in 1973 by Dr. Rocke Robertson.

It seems absurd at this point in time to insist in the short term on increasing the productivity of our medical schools, or even expanding our postgraduate training programs. Our present efforts are directed at attracting professionals towards outlying areas where service is poor as well as towards the specialities which are most in demand, and this is being done by joint task forces composed of provincial representatives as well as spokesmen for professional associations and officials from my department.

[*English*]

Since the onset of the health resources fund, the manpower ratio for all disciplines in health has shown continued improvement. For example, the number of health professionals and paraprofessionals in relation to population shows a substantial positive change for the eight year period from 1968 to 1976. I should like to refer to a few examples.

● (2040)

In 1968, the ratio was one physician for every 740 people, whereas the ratio in 1976 was one for every 578 people. The ratio in respect of nurses was one for every 187 Canadians in 1968; whereas in 1976 the ratio was one for every 129 Canadians. The list continues, but I will not take the time of the House giving further examples.

In the dental field, the number of dental schools increased from six to ten, bringing the output of graduates from 296 in 1966 to 465 in 1976. New dental schools were constructed with health resources fund assistance at Université Laval, Quebec; the University of Western Ontario, London, Ontario; the University of Saskatchewan, Saskatoon, Saskatchewan; and the University of British Columbia, Vancouver, British Columbia. Substantial assistance was approved to expand and improve facilities at Dalhousie University in Halifax and at the University of Manitoba in Winnipeg. The ratio of dentists to population improved from one per 3,097 Canadians in 1966 to one per 2,438 in 1976. Also, the significant improvement in numbers of graduates for other dental personnel is noteworthy. Dental assistant graduates numbered 58 in 1966 and increased to 917 in 1978. For dental hygienists, it was 82 in 1966 as compared to 350 in 1976. Due to market and employment conditions, some provinces are reducing the number of student enrolments in the dental auxiliary field.

In the nursing field, we witnessed the transfer of didactic training programs for nurses from the hospital to the formal educational setting, primarily in CEGEP and community colleges. Similarly, the period of training for diploma nurse graduates was reduced in most instances from a three-year hospital program to a two-year community college program. The number of graduates increased from 7,387 in 1966 to 10,051 in 1976. As I have said, the ratio has improved remarkably. One can even say that Canada has an over-supply of nurses and almost the highest ratio of nurses to population in the world. We have adequate facilities for the training of physicians, dentists, nurses and most other health disciplines. In fact, there is a trend toward a levelling off of new trainees accepted in our training schools, and, in some instances, a reduction policy is being implemented. As a result we now have a surplus of nurses and an acceptable doctor to population ratio. The ratios for all other disciplines have improved and will continue to improve in relation to economic and social requirements.

On the international level, our manpower ratios compare favourably with a number of other countries. The ratio of physicians in Canada in 1974 was better or equal to those of Australia, the United States, England, Wales, Scotland, Sweden, Norway, Denmark, Finland, Netherlands, Luxembourg, France, Spain and Portugal. We were surpassed moderately by Belgium, Italy, West Germany, Switzerland and the U.S.S.R. As for dentists, Canada fared better than England, Wales, Northern Ireland, Scotland, the Netherlands, Belgium, Luxembourg, Spain, and Australia. Only Australia, the United States, Sweden, Norway, Denmark, Finland, France, West Germany, Switzerland and the U.S.S.R. had better ratios. As for nurses, Canada had a better ratio than all countries mentioned except Denmark.

During the 1966-1978 period, the health resources fund met the objective of having the necessary facilities on a national basis to train health personnel in sufficient numbers to meet the current and anticipated demands. For example, our medical schools have levelled off in the number of trainees accepted and some are operating below potential capacity. Recently a great number of projects approved under the fund have been to assist with the expansion and upgrading of teaching hospitals. With the trend now toward a reduction in training in these institutions, this type of requirement has diminished.

In the last 30 years, and to a greater extent in the last ten years, there has been rapid and substantial development of training and other health facilities all over Canada. There will be a need, to a much lesser degree, to maintain and upgrade existing schools and related facilities which in most instances are new or renovated structures. There will not be the demand for large injections of capital in this area, nor increases in the enrolment of trainees in the health field. It is for these reasons that Bill C-2 is before the House.

Some hon. Members: Hear, hear!

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I was surprised at the tone of the Minister of National Health and Welfare (Miss Bégin). In the last half of her remarks she seemed to indicate she was quite satisfied that everything in the health field is well, nothing further needed to be done, and therefore the health resources fund can be chopped easily without any detrimental results. Perhaps this indicates the minister's lack of appreciation for the health field and her complete disinterest in it. If the minister had bothered to

inform herself fully on the problems in the health field, certainly she would not have taken the attitude she did.

The minister began her comments by criticizing my party for having spoken on medical research during consideration of this bill. Then she proceeded to spend at least 20 minutes speaking on medical research. In addition, she was somewhat dishonest when she accused us of criticizing the Medical Research Council. I challenge her to show examples in *Hansard* or the minutes of committee proceedings of my party criticizing the Medical Research Council. That was a blatant dishonesty on her part. We criticized the minister's policy of starving the Medical Research Council to death in its attempt to fund research in the country. Our criticism has been levelled always at the minister and her government, not at the Medical Research Council.

Some hon. Members: Hear, hear!

Mr. Yewchuk: The minister went on at some length to indicate that the health resources fund had nothing to do with research, and that we were abusing the bill in talking about research. Yet, I have in my possession a sessional paper dated March 10, 1978, which was signed by the minister. I am referring to sessional paper 303-1/156 in which the Health Resources fund is discussed.

● (2050)

In this paper it indicates quite clearly that $75 million has been allocated for the support of health training and research projects of national significance. I do not see how the minister can stand up and state with a straight face that the health resources fund has nothing to do with research, because her own paper signed in her own hand indicates that $75 million of that fund was indeed channeled toward research of national significance.

We have opposed this bill primarily for two reasons. One reason is the high-handed method the government used to introduce the legislation and its failure to consult with the provinces. It was a unilateral decision with an announcement to the press, followed five days later by a telex to the provincial health ministers informing them that the fund would be terminated.

The other reason we opposed this bill was its detrimental effect on research, by cutting off funds for medical research to an even greater degree than she and her predecessors have done over the past decade.

We learned some interesting facts, however, about the minister and this government during debate on this bill. I think the Toronto *Star* article of January 27 describes what we learned quite clearly. The headline reads, "Boss Bégin's in Trouble. Lack of Leadership has Staff near Mutiny". In reading through this article it clearly indicates why the minister has been so erratic during the debate and why she seems to have flip-flopped at least four or five times on various issues over the past three months. The article is based on information gained from talking to a senior civil servant and perhaps other officials who are close to her. It describes the minister as insecure, and floundering under her scatter gun approach and indecisive dodging. We saw examples of that in her comments earlier. The article goes on to say that it is not easy for a civil servant working with a minister who is so nervous that she specifically ordered senior officials not to discuss her. I do not think I will spend any more time with this article. Anybody wishing to see it can look it up for himself.

Mr. Paproski: What is the date of that article?

Mr. Yewchuk: The article was in the Toronto *Star* of Saturday, January, 27, 1979.

Miss Bégin: Mr. Speaker, on a question of privilege, I would like the hon. member to retract what he has said. He said twice and once in particular, that I was blatantly dishonest. Perhaps he did not understand what I said. I said that the opposition had criticized, not the Medical Research Council, but the government's attitude toward it. I would like the hon. member to apologize. When he reads the blues tomorrow, he will see that he made a mistake.

I think that it indicates a very low standard of ethics for this House, but the hon. member quoted from a newspaper article which gives a description of a minister, written by a journalist who never spoke to that minister nor to her staff. I think that should be clarified.

Mr. Yewchuk: I do not think, Mr. Speaker, that the minister in any way, shape or form can claim that to be a question of privilege or a point or order. I would remind the minister that we are in a debate and, if it is too warm for her, she is free to go out and take a drink of cold water. As a matter of fact, I will not wait until tomorrow to check the blues, I will do it as soon as I finish my comments because she did say that we criticized the Medical Research Council. I noted the words verbatim at the time she was speaking, so I am afraid I cannot back down or swallow anything I have said.

Miss Bégin: You will have to do it in front of everybody tomorrow.

Mr. Yewchuk: The minister just finished speaking for 45 minutes, and I have been up for only five, but she wants the floor again.

Miss Bégin: But I did not insult the House.

Mr. Yewchuk: I would like to continue my comments if I could. In her opening comments, when this bill was presented for second reading, the minister indicated her philosophy and that of the government on programs which they have had in place for a number of years. With regard to the health resources fund, the essence of what the minister said at that time is that it was a terrific program, and that, therefore, the government decided to scrap it. The comment took me by surprise, because if you have a good program it is natural to want to continue it and perhaps even expand on it. My party's philosophy is that if a good program is in effect you do not scrap it, you keep it, because it is usually the best in terms of serving the public.

In spite of the self-righteous attitude of the minister with regard to the trained personnel available in this country, she is far from correct. For example, Canada has almost no specialists in the field of geriatrics. This is a very rapidly growing field, and as our population ages and the birth rate drops over the next two decades, it will continue to grow. However, there seems to be no attention whatever paid to this area in the minister's comments.

The minister was proud of the fact that the nurses training program had been reduced from three years in a hospital to two years in a community college. In my opinion, and that is all it is, that program has been a step backward because it has resulted in less qualified individuals providing nursing services. I would suggest that the three-year program be reinstated because that extra year is necessary to instil the proper "Florence Nightingale" attitude in the minds of the young ladies who wish to serve their fellow man in that particular field.

The minister's behaviour during this debate has been rather erratic. The bill originally announced an $84 million cut from the health resources fund, but within just a couple of weeks or a month of the commencement of public debate on the bill, and as a result of the criticism it received, the minister reversed her decision and added $15 million to the pot. I do not criticize her for that move, because I think it was a good one. What I am questioning is why she would announce something and reverse her decision just three or four weeks after the matter became public. Whether it was because it was a bad decision to begin with or because she was not completely informed of what was happening, I do not know. I would say it indicates she made a bad decision, that when the pressure was put on by the public and by this side of the House she caved in and changed her mind in order to reduce that pressure.

Mr. Nystrom: She sounds like Joe Clark.

Mr. Yewchuk: I suppose that the New Democrats will have a speaker to put forth their position in a few moments, but I will not waste too much of my time on them.

There have also been charges from this side of the House that the bill was introduced without consultation with the provinces.

● (2100)

For a long time the minister insisted during debate in this House and in committee that there was consultation with the provinces. She was defended in that position by the Minister of State for Urban Affairs (Mr. Ouellet). He attacked us very vigorously for being "unfair" and saying things that were "untrue" when we accused her of taking unilateral action and bringing in this bill which affected the provinces directly without having first consulted them. A reading of page 1599 of *Hansard* for November 28, 1978, would indicate that the Minister of State for Urban Affairs went to some lengths to try to convince the House that there was plenty of consultation with the provinces.

When the bill went to committee, the minister again reversed herself. In the proceedings of the Standing Committee on Health, Welfare and Social Affairs of December 12, 1978, at page 7:21, the minister said:

> You want a simple answer, why were the provincial ministers not consulted on my cuts, because they are not elected in the federal portfolio; they have no accountability whatsoever of my budget to any Canadian voter and I really resent the suggestion of the member.

After all that defence, she then admitted that she did not consult the provinces. When we pursued the question of why not, she said in essence that she did not have to, that it was strictly a federal program and the provinces did not have to be consulted. Earlier on the same day, referring to a particular research fund, she said, at page 7:8:

> Our national economy is a tight economy, so are the economies of the provinces, and this program is by definition a fifty-fifty venture.

This leads us to wonder where the minister really stands. On the one hand she says the provinces were not consulted because this is strictly a federal program and is none of their business, so to speak, but on the same day she says this program is "by definition a fifty-fifty venture."

It is no wonder that the Toronto *Star* ran an article on January 27 criticizing the minister's lack of leadership. Whoever it was that the reporter talked to in her department or on her staff said that the department is floundering under her scatter gun approach. These examples indicate why the minister has not been able to do the job that was expected of her.

We criticize this bill on the basis that it has a devastating effect on research. The budget for the Medical Research Council was announced in the usual manner in the blue book. Later, as a result of pressure from the research community and from this side of the House, an additional $2 million was allocated to meet its needs. Six to eight weeks later, however, half a million dollar was subtracted. We then had a situation in which the Medical Research Council, which is largely responsible for medical research in this country, was faced with three different budgets in one year. First of all, the blue book budget, then an additional $2 million, and then a decrease of half a million. I cannot think of a better example of erratic behaviour than that.

The research budget has been eroded very substantially over the past few years. It is true that on this side of the House we have urged the government for a number of years to implement a formula of stable, long-term funding for research over a three-year or five-year period which would enable research organizations to engage in proper planning.

We did not criticize the minister for committing herself to the principle of a long-term funding formula as she seemed to suggest we did; what we criticized was the content of the formula which commits the government of funding the Medical Research Council for a five-year period with increments based on the implicit price index. In essence, this means increases of about 11 per cent per year. We know from the experts in the research community that the inflation rate in research—the increased costs in research—runs from 15 per cent to 17 per cent per year. It therefore becomes obvious that

this formula, which increases funding by 11 per cent, will not even keep up to this year's level of funding and that each year thereafter there will be a loss of about 6 per cent. In essence, the government has committed itself to a 6 per cent per year erosion in the Medical Research Council funding for the next five years. If this formula had been applied to the last six years or so the budget this year would have been about $7 million less than it is.

While we support the principle of a long-term formula for funding, the formula itself is somewhat of a joke. It will create greater difficulties for research than have been experienced thus far.

I want to touch briefly on another matter, Mr. Speaker, and that is the Indian health service guidelines which were implemented only a few weeks ago. The minister indicated that she felt the Indian people as a whole were abusing the health care services that were provided. I want to object to that sort of criticism because I do not see why that particular group of people should be singled out. It is quite easy to see that some people in every group in society are abusing the health care system to some extent, and I can give a specific example of that.

I do some part-time work in one of the emergency departments of a local hospital, Mr. Speaker. Each patient who walks in there automatically costs the taxpayer $21 in hospital costs plus $15 or so for the medical service that is provided. If that patient went to see a doctor in his office the $21 emergency hospital cost would be saved. Yet we see hundreds of people from all walks of life in the emergency departments of this country every day. They complain of things like sore throats, runny ears, coughs of two or three weeks' duration, skin rashes, aches and pains—in fact, all the normal things seen by a general practitioner in his office. All kinds of people go to the emergency department, a very expensive place to dispense these simple medical services.

If the minister is concerned about anybody abusing the medical services in this country, she should not single out the weakest group in our society, the Indian people. She should look at everybody else, including herself, perhaps.

It any case, Mr. Speaker, the minister made the accusation and brought in guidelines which resulted in some dangerous reductions in health services. They meant cutting back on prescription drugs, for instance. It is easy to imagine what the effect would be on a diabetic patient who needed insulin, could not pay for it, and the new guidelines perhaps would not allow him to get it free. The patient could be in a coma within 24 hours.

Another important service is the ambulance service. There may be some abuses here, but it is not just the Indian people who are responsible. If there were a genuine need for an ambulance, because someone was unconscious or in great pain, the ambulance driver would make a quick judgment as to whether the trip was necessary. But, Mr. Speaker, I suggest that most ambulance drivers are not trained to make such judgments. This puts everybody in a difficult position.

As a result of pressure from the Indian people and from this side of the House the minister reversed her decision. She delayed the guidelines for six months. We criticized her because she imposed the guidelines without first consulting the Indian people. We took the position that if they were abusing the services, as she said, the proper thing to do would be to go to their councils and discuss the problem, pointing out where the abuses occur and where corrective action could be taken. She decided not to do that. The minister did not want to talk to them, she just cut off the service. But when the outcry came she had to reverse her decision. Why did she announce something which she later had to renounce? Why did she not consult with the people directly in the first place? Was this a bad decision; was she uninformed or was she given bad advice—what was it? Whatever it was it suggests to me that the department, insofar as her authority is concerned, is not being run very smoothly or in the interest of the country. The decision was reversed and the minister has said she will take six months to consult with the Indian people. Why was this not done before?

● (2110)

I had some serious reservations about the actions of this minister which were elicited during the debate on this bill. I put them before the House but I do not expect the government to take any action—it never does. Nevertheless, it is on the record and I hope the next minister of health will try to do a better job in the interests of Canadians.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in rising to say a few words on third reading of Bill C-2 I must state that my reaction as I sat here listening to the minister's speech was quite different from that of the hon. member for Athabasca (Mr. Yewchuk).

I have been involved for many years in efforts to secure better health services of all kinds in this country. I am proud of the achievements we have made. But in this respect, like the hon. member for Athabasca, I think a great deal more has to be done. I feel very strongly that any cutting back of funds for a phase of medical care is a serious mistake. As I listened to the minister tonight I realized that she was making the best case she could by use of statistics and references to other countries and so on. It made me feel not only that our efforts over the decades have been worthwhile, but that the pushing and prodding we have done in recent years for more funds for medical research has not been in vain. The minister was able to report some progress tonight and to report changes in terms of providing funds for medical research. She was able to put forward a much better picture than was the case a year or two ago. For the minister to be able to say this kind of thing at a time when the government is practising restraint, and at a time when it is being pushed by the Tory party to practise even greater restraint, is something that should be recognized and applauded, and I am not ashamed to say so.

As a matter of fact, sir, when the hon. member for Athabasca picked up the article that appeared in the Toronto *Star* on Saturday, January 27 I was aware of it and I wondered how

much of the article he was going to read. By way of an interjection I asked my friend if he would read the last paragraph. I wish he had because it would have been much easier listening to him read it than to read it myself. After the way the hon. member for Athabasca attacked the minister personally I have no apology at all for reading the last paragraph of the article that was written by Mary Janigan in the *Toronto Star*. The Minister of National Health and Welfare (Miss Bégin) says that the journalist was not in touch with her, but she was in touch with me and asked me what I thought of the minister. This is what appears in the *Toronto Star*, and let us have it on the record along with the quotations which the hon. member for Athabasca gave us awhile ago.

Perhaps the last word on Bégin should be left to New Democratic Party House leader Stanley Knowles, a lifelong fighter for better pensions for the poor, the disabled, veterans and the elderly. "Her ideas are much more progressive than those of many other ministers in that cabinet and she's trying hard," he says. "Very seldom do I put a question to her that she can't deal with and if she can't, she says so."

"She's doing quite well."

I notice the colour in the minister's face. It may not help her in the cabinet over there to have a member of the opposition say these things about her. Just to make it clear that this view is not held only by me, may I read one other paragraph from the article which refers to persons called insiders. They are not named, but this is the paragraph:

Insiders say now that Bégin is managing to retain her deep devotion to the poor while better understanding how to exercise political clout. Her arguments, often scattered in the past, now are more coherent—publicly and in cabinet. And "she never goes unheard by the Prime Minister."

If the Minister had to have all those nasty things said about her in order to get a few nice things said, maybe the price is not too high.

I have started reading something else in the health field. It is a rather monumental book by Malcolm Taylor on "Health Insurance and Canadian Public Policy." In fact he goes over the whole story and I have been associated with it one way or the other most of the time. It is a story of how inadequate our health services were in Canada a number of years ago and of how many persons, groups, organizations and governments had to get into the battle. It is a story of pushing and prodding. In particular it is a story of a pioneering done by the Saskatchewan CCF government when it first took office back in the middle 1940s. It is a story of pushing and prodding here in this place by some of us having to read many times the 1919 Liberal promises, some 30, 40 or 50 years later. It has not been in vain. We do have much better concern and attention for the health of our people today than was the case a few decades ago.

I may quarrel with the minister because she has so much trouble from the cabinet getting what she ought to get. But I think she deserves credit for fighting as hard as she does, and credit for being able to say tonight that some progress has been made in the matter of getting extra funds for medical research, and in the matter of increasing the personnel who are available to attend to the health needs of our people. I say that my reaction is quite different from that of the hon. member who spoke before me. These were not the thoughts I had when I was getting ready to say a few words on this bill. After his speech I felt that something like this should be said.

● (2120)

Having said that, I want to say that I still do not like Bill C-2. I do not like to cut back anywhere in terms of funds for the health needs of our people. I appreciate what the minister says, that the money is not needed in this area and is being made available in other places. I appreciate her contention that the health resources funds has done most of what it was intended to do. However, while sitting in my seat tonight, I looked over the speech that my colleague, the hon. member for Winnipeg North (Mr. Orlikow), made at second reading of this bill on November 27, 1978. The charges he made against the government in my view still stand. When you consider what money is worth today compared with what it was worth when the Health Resources Fund Act was first brought into being, our contention is right, that the government should not be cutting back on the money available under this bill.

I also want to say that I do not like the extent to which, both under this measure and other health measures, the government keeps trying to push more and more of the costs of medical, hospital and other health services on to the provinces. I know the bind we are in these days with the provinces wanting more authority and some groups in this House calling for greater decentralization and regionalism. We have the Pepin-Robarts report saying the same thing.

I do not agree. I am an unrepentant federalist. I am a Canadian. I like to see standards of living and standards of health maintained at the same high level right across Canada. When you start to push these costs on to the provinces or participate with the provinces in programs and then withdraw and let the provinces carry them, inevitably health care standards are higher in some parts of the country and lower in others. It is the whole move in that direction on the part of the government I do not like. I appreciate that in her speech tonight the minister did not stay strictly within the terms of Bill C-2 but spoke in the context of the whole health program. I like to look at this bill in that same light.

We voted against this bill on second reading because it is a cutback as far as funds for health are concerned. We will vote against it again at third reading. When we do so, I hope the minister will see that it is a matter of continuing to prod, as people in this House have been doing since 1919, the government into bringing forward those measures that will provide in full for the health care of our people.

Despite talk about restraint and money not being available, I know of nothing more important for a society to do than to care for the health of its people. I have no use for any retreating there at all. Our vote against this cutback is a plea by us in the New Democratic Party that health stay at the top of the priority list as far as our people and the budgets of this country are concerned.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, some members are probably wondering why an agrologist is getting up to speak on health care. The Minister of Agriculture (Mr. Whelan) is no doubt worried that I may talk about the health of animals and brucellosis. I am tempted to do that, but I know it would be out of order.

I wish to make a few comments tonight with regard to two areas. First, I will plead the case for more research in the health area for native people. I will deal with a number of statistics that are somewhat appalling when comparing native people and non-native people in this country.

I would also like to speak briefly about health resources funds being used to help young graduates attain a higher level of education by providing them with more funds. This is very necessary in the realm of education today. Many students attend university and receive their bachelor of science degrees, bachelor of arts degrees, or whatever. They then find that salaries are so attractive it would be too much for them to continue in their education. Therefore, we are not getting the numbers of young people continuing on to a masters or a doctors degree that will be required. This is because they are not being adequately supported by the governments of the day.

It was pointed out today that the Agriculture Institute of Canada is very worried about the fact that not enough students are continuing in their education to become the scientists of tomorrow. This particular funding is being provided in the health field, but governments should take this as a warning and provide funding in other fields as well.

I can give the example of CIDA. Non-Canadians are brought to this country to attend our universities. They are helped with the cost of their training. Hopefully they will return to their countries after completing their education. These students are provided with sufficient funding that they receive incomes of upwards of $6,000. In addition, their rooms, food and tuition are taken care of. Therefore, they can come to Canada and get their masters or doctors degree with relative ease.

Our graduate students are not accommodated in the same way by the Canadian government. As a result, they are looking for high paying jobs rather than becoming our much needed scientists of tomorrow. I thought I would comment on that because I am worried about my faculty and the research capability that will be available in the future as a result of this important situation.

An area that concerns me more is native health care in this country. The hon. member for Athabasca stated that $75 million of this health resource fund was spent on health research. It is my plea tonight that more funds be made available for the health research area. If they can be found, they should be channelled toward native health research and native health development. The statistics that I read trouble me. I intend to put them on the record. Much of the funding is channelled to health care that will help everyone, but not enough is being channelled to the area of native health development.

[Mr. Knowles (Winnipeg North Centre).]

The minister recently announced some cutbacks in non-insured areas. The native people were so concerned that some 2,500 of them marched on the federal buildings in Edmonton, Alberta. The maritime chiefs found it necessary to come here to meet with the Minister of National Health and Welfare (Miss Bégin) in order to discuss this.

The hon. member for Lambton-Kent (Mr. Holmes) pointed out that the cost of moving Indian affairs personnel across the river from Ottawa to Hull cost $6 million, of which $500,000 was expended on the actual move. Money is still being spent on the accommodation in Ottawa that was vacated. Some of that funding could be provided for the research and development that is necessary to eliminate some of those areas in respect of Indian health care where these people are not being cared for adequately.

Bill C-2 is a cutback bill in the area of health services. The concept of health, if it is to be meaningful, must be viewed in the broadest possible context. This context must encompass the physical and social aspects of a person's well-being. It cannot refer only to the absence of disease. Indian people do not enjoy the state of health enjoyed by other Canadians. This is revealed most dramatically by statistics. The statistics with respect to the health of the Indian people in my province are horrifying. In Alberta the greatest causes of death among Indians are accidents, violence and poisoning. Dr. Kirkbride, the regional director of the Alberta Region, stated in his address to the All-Indian Chief Conference that accidents and violence accounted for 69 male and 30 female deaths. This represented some 37 per cent of all deaths among registered Indians. Many of these deaths were alcohol-related and could have been prevented. They were useless deaths. Violence accounted for most of the deaths occurring among those in the age group one to 49. Fifty-six out of every 100 deaths in pre-school children are due to accidents and violence. Sixty-six out of every 100 deaths in school children aged five to 14 are due to accidents and violence. Seventy-seven out of every 100 deaths among young adults aged 15 to 29 are due to accidents and violence.

● (2130)

The statistics on child mortality rates are just as frightening. The infant mortality rate per thousand live births for Indian people in Alberta in 1963 was 5.7. In 1970 it was 4.1 and in 1977 it was 2.2. One might say that the statistics show a drop and this is good to see, but it is still much higher than the 1.6 non-Indian infant mortality rate in 1977—1.6 as compared with 2.2 represents a difference of almost 60 per cent. When we look at the national statistics we find the mortality rate for Indian children is 2.4 per thousand compared to a national average among non-native children of 1.6.

I have just one more statistic concerning the average age of death to put on record, Mr. Speaker. It concerns the rate for adults. The average age of male deaths in Canada for the year 1973 was 63.6. For females it was 69.1. If we look at the average age for Canadian Indian males we find it was 41.5 in 1973 and 43.3 for females. In Alberta the statistics were even

more alarming. The average age of death for Alberta Indians in 1973 was 37.4 years of age for females and 39.7 for males. This is astonishing and is one of the reasons why I feel compelled to plead this case tonight. I plead for more funds to be made available out of the Health Resources Fund than the $75 million which was available under these provisions and which would be to cut off under the terms of the bill before us.

Why are the native peoples living 23 or 24 years less than we are? If we consider some diseases, for instance, tuberculosis, which most of us do not even think about any more, we find they are on the increase among native people. I only have the statistics for Alberta but in that province there were 75 cases of TB in 1973 among native people. It has not significantly decreased, since the 1977 figure of 67. Treaty Indians in the northern part of the province experienced no incidence of TB ten years ago but in 1975 there were 18 cases and in 1977, 21 cases were reported. These statistics are an alarming indication of the over-all state of health suffered by the native people in this country. I could give many more examples because the Alberta Indian Association came to see me last week and left me some 100 pages documenting the proposition that their health care in non-insured areas should not be cut back.

As I said earlier, we need a broad definition of health. Therefore when considering the issue of poor health among Indians we must regard the socioeconomic conditions in which Indian people live. This encompasses a broad range of matters such as housing, sanitation, recreation, nutrition and employment. If one considers the issue of infant mortality, for example, the general level of sanitation in Indian communities would certainly affect the well-being of infants and children.

I would like here to quote Dr. Lyle Black, a senior official in the Ministry of National Health and Welfare. He is in charge of medical care for Indians and he said that he would not drink the water on the majority of the reserves in Canada today because of the lamentable sanitary and health conditions to be found there. He said that clean water, properly heated, insulated houses and recreation facilities all contribute to a child's health and well-being.

Again, we can refer to the need for good nutrition. It is well known that poor nutrition has long been a major contributing factor to lowered mental functioning, greater susceptibility to infectious diseases, poor oral hygiene and vision problems. Health problems such as gall bladder infection, infectious diseases, high infant mortality, nutritional anaemia, obesity, retarded physical growth, are increasingly plaguing our Indian people in this country today.

Ray Obomsawin, the health co-ordinator with the National Indian Brotherhood, stated in a 1977 paper that the incidence of diabetes among Indians was five times higher than among the general population. Yet one of the guidelines the minister announced would mean doing away with prescription drugs. We see the necessity of these drugs being available to the Indian people when we look at statistics like the diabetes statistics to which I have just referred.

I have noted that the main causes of death among Indians are accidents, violence and poisonings. For example, I will refer to the Hobbema Reserve in my own constituency. *The Globe and Mail*—an eastern paper but I was glad to note their interest in the subject—reported that people on this reserve were killing themselves at a rate 20 times greater than the national average. The community nurse in charge noted that during an 18-month period ending October, 1977, in addition to the 17 reported suicides there were 21 deaths due to consistent abuse in the use of alcohol and drugs. Seven people were found dead in unusual circumstances, although crime could not be proven. Seven deaths occurred in car accidents and four deaths among infants were due at least partially to neglect. There were four infant and 21 adult deaths due to natural causes. These facts are appalling and I cite them to illustrate the seriousness of the problem faced by the Indian people.

● (2140)

The reserve in my constituency to which I refer is one of the better-off Alberta reserves. There are oil revenues which provide much opportunity, and everything possible is being done to remedy this problem. Two detoxification centres have been established. They are being run by native people, and they are very successful. Attempts are being made to find employment for most of the people on the reserve. Still, we see statistics about people dying because of conditions under which other people do not have to live. That is why trained people who understand the problem are needed to work in consultation with native people to learn the reasons for these problems. Perhaps in this way they can be solved and conditions for native people can be brought closer to the national average.

I wanted to talk about problems regarding noon hour lunches for native Indian children, a policy which was discontinued. However, I will leave that for another time.

It is important that we improve conditions, and I have talked about that in my speech. There are complex problems, but we must consider prevention, research, community involvement and a high level of co-ordination and co-operation on the part of all groups and organizations concerned about the health of Indians.

To date this government has demonstrated that it lacks consistency and that it lacks co-ordination between departments. One department throws up its hands and says a certain problem is not its responsibility. There is no consistent, unified policy regarding Indian health. The Minister of National Health and Welfare has said, and I quote:

> I also recognize that the statistics on health show Indian people generally to be below the Canadian average. However, the basic causes for this are socio-economic, for example, inadequate housing, water supply and sewage disposal and unemployment.

The minister went on to say:

> These matters are outside the control of my department.

I am happy that the minister realizes there are problems in those areas, but she should not throw up her hands, say that they are outside the control of her department and slough the

problems off on someone else. It happens too often when people come to departments for help, that departments tell them their problems are not the responsibilities of those departments and that they should go somewhere else.

Then there are cutbacks, and the minister says they are not her responsibility. Surely the minister should have consulted the Minister of Indian Affairs and Northern Development (Mr. Faulkner) as well as native people. She should have consulted the Alberta Indian association, the Canadian Indian association and perhaps even some bands to decide whether more research funds should be spent.

I talked about consultation. There is to be a six-month period of grace. The National Indian Brotherhood has emphasized the need for involvement of tribal and band governments in the process of clearly defining health goals. Indian people know very well that they should be involved at all stages of negotiation and planning with regard to native programs. They should be involved from the community level up. Indian problems differ from those of the non-native community.

Another area of concern to me is the need for preventive health care. I want to quote Dr. Lyle Black, director-general of medical services, who has said that a shortcoming in the area of medical services "was apparently a total lack of programs related to preventive health".

Dr. Black said further that co-ordination between all government and university health services is needed to reduce the basic unsanitary and unhygienic conditions which can range from house design and house construction to water supply systems and waste water disposal systems which are rendered particularly difficult by such things as permafrost. Dr. Black also mentioned, something which we as non-native people do not experience, that many doctors and nurses who go into native communities, which are often far away from civilization, are not prepared to spend much time there. Because of that, many native people go to their doctor, are examined, subjected to tests and released, only to return a few weeks later when their problems still are not solved to find there is a new doctor who orders new tests and new prescriptions. The poor patients do not know where they stand. Dr. Black emphasized that the Department of National Health and Welfare should consider it obligatory that doctors who go into these areas keep very extensive notes on the problems of patients so that if there is a turnover, doctors who come in as replacements know exactly what treatment should be given, what tests have been done and what the results of those tests are.

I wanted to make a case tonight not only for the Indian and native people in my riding but also for those all across Canada. I hope the Department of National Health and Welfare will take into account the statistics which have been put on the record and the need for adequate research into why these statistics are as they are. I hope the department will attempt to solve this problem and bring the health of native people up to the same standard as that enjoyed by other Canadians.

The minister said she reversed herself when she offered a six-month grace period with regard to cutbacks. I think it is very important that after six months the cutbacks are not just re-introduced, with nothing happening in the meantime. It is very important that the consultation process go on, that native people be taken into consideration and that the health care of this very important group in our society is adequate.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to make a few brief comments on Bill C-2 which strikes me as being of capital importance. Mr. Speaker, the purpose of this bill is to amend the Health Resources Fund Act, chapter H-4 of our statutes. The act stipulated that payments be made to help the provinces finance medical research with a view to improving the health of Canadians. Bill C-2 says, and I quote:

> No payment shall be made under this Act in respect of any cost incurred in respect of a health training facility unless payment of a contribution toward the cost thereof was authorized by the Minister pursuant to subsection 4(1) or 5(1) before September 9, 1978."

I agree wholeheartedly with the earlier comments of the House leader of the New Democratic Party, the hon. member for Winnipeg North Centre (Mr. Knowles). I am convinced he was sincere when he said the Minister of National Health and Welfare (Miss Bégin) was doing everything she could to improve research possibilities and give Canadians a chance to improve their condition and their health. Unfortunately he added—and it is with a little regret that I express this reservation with respect to Bill C-2 because I believe that in 1979 the best investment we could make would be to continue to provide assistance for research to allow our institutions to provide better health services.

I say that, Mr. Speaker, because I happen to have a daughter who is in that field and who loves her work very much. She was telling me at Christmas that she deplores that our hospitals could not do more precisely because of those restrictions and the lack of financial resources.

There may be cases sometimes, Mr. Speaker, where money, taxes paid by Canadians are being misused. That does not give the results we would like to see. But considering the percentage of waste that may exist, I do believe that the government should not reduce the funds intended for research because in the final analysis the people of Canada are living in an excessively difficult climate. I sometimes compare our conditions here in Canada with those in some other countries, particularly during the difficult months we are going through. We had a very tough month of January. We had big snowstorms. It was cold. We had difficult climatic conditions. In spite of all that, I say it is one of the attractive features of Canada that countries like those in the far south do not experience.

But we have to be prepared for that. We need very well designed houses, particularly these days, because of concerns with respect to energy reserves. We need well-insulated houses. However, I find complaining all the time a little disgusting and sometimes disheartening because you have to recognize that

we have certain advantages in Canada in spite of the climate and the harsh winters. Today is February 1. Tonight we realized that the sun set a little later, so the day was longer, the sun was out longer, and it seems to me that every day we are going to gain vitality.

Mr. Lapointe: That will be something to see.

Mr. Lambert (Bellechasse): No, no, I find that extraordinary. My hon. colleague for Charlevoix (Mr. Lapointe) says that will be something to see. I do not know what he means by that. For whom? I do not know. But for me it is going to be really interesting, and people who live with me are going to like it too, whatever the hon. member for Charlevoix may think.

Mr. Lapointe: If you have more vitality than you have now, that will be something to see.

Mr. Lambert (Bellechasse): In any event, I want to say to the minister that even if this bill is passed, she will still have some authority and she should use her feminine charm to try to convince her cabinet colleagues and the Treasury Board not to reduce the funds granted for research. The minister says no. I am very happy if this is not the case and if I failed to understand the bill. However, the minister still has a certain authority and certain alternatives.

I hope that what she decides to do will not prevent our institutions and the people involved from doing more because of a lack of funds. If we need to invest some money for a good cause, it is certainly in this area. I have heard many times the Minister of National Health and Welfare (Miss Bégin) tell us of her concern for the poor in our country. She wants to alleviate poverty and she wants Canadian families to live a better life, and I can appreciate and understand this. I would have liked to ask her a question today on this subject during question period, but unfortunately I did not have enough time to get to the bottom of the problem.

However, I was sorry to see in a newspaper concerning the child tax credit that since it will be occasionally and certainly granted to the individuals and the families who request it, the government of my province will decrease proportionally its welfare payments. At the federal level, we try to help families with children. I am certain that all members of parliament, whatever their party, try to co-operate in this regard with the Minister of National Health and Welfare to provide additional income for poor families that are in real need of assistance.

We had many discussions during the last session about the famous sales tax reduction. The Minister of Finance (Mr. Chrétien) said in his comments that this would increase the purchasing power of needy families. This was supposed to stimulate the consumption of goods and services in two areas at once: Increase the purchasing power, allow our economy to be more active in order to create jobs because of consumption of necessary goods to increase purchasing power. Then the government of the province of Quebec—I would like my message to be heard by intelligent people. This is where television is important, and radio, and the rest. Blunders—and I hope we do not make too many—boobs make the headlines. But serious considerations are not reported to the people.

I therefore call upon the press, the CBC and all other media to get our message across to the Quebec government, especially the health minister there. If the press report I read is accurate, if income tax credits, as the Minister of National Health calls them, and the 13th cheque sent families in addition to the usual twelve family allowances cheques there will be a 13th with a $200 payment per child. Having made a computation, I must say honestly I am quite happy with this. It will really increase revenues for families with net incomes below $18,000. But if, on the other hand, my provincial government reduces the benefits paid to families living off welfare in the same proportion, the final result will simply be that while we are trying here to increase those families' revenues, to give them added security, to give them a more decent life, the government will take all this away from them. Mr. Speaker, may I call it ten o'clock?

• (2150)

[*English*]

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

Mr. Lambert (Bellechasse): Ten o'clock, Mr. Speaker.

* * *

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, can we be told whether we will continue with Bill C-2 tomorrow?

Mr. McIsaac: Mr. Speaker, my response to the hon. member is yes, it is our intention to carry on with Bill C-2 tomorrow.

• (2200)

PROCEEDINGS ON ADJOURNMENT DEBATE

[*English*]

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

LABOUR RELATIONS—REASON AIRCRAFT OPERATIONS PERSONNEL WITHOUT CONTRACT

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I should like to speak for a few minutes on a matter about which

I know the Minister of Labour (Mr. O'Connell) is very much concerned, and about which I think all government members should be concerned.

Mr. Knowles (Winnipeg North Centre): I hope you get the correct answer.

Mr. Fraser: I do not participate in these debates anticipating that we will necessarily receive the correct answer. In reply to the hon. member's interjection, quite often we receive no answer at all.

The Minister of Labour and hon. members of the government ought to listen with some care to what I say tonight. The official position of the government is that it is in favour of paying government employees on the basis of comparability with the private sector. This is a principle with which my party agrees. As the critic on labour matters, I am quite prepared to say that this is an appropriate approach to be taken by any government in Canada.

I should like to bring to the attention of the House a situation in which the government, and generally speaking the country, are absolutely refusing to recognize the question of comparability. I refer to the Canadian Union of Professional and Technical Employees, and specifically I refer to the civil aviation inspectors in that group. This is not a large number of people, approximately 400. But, these people are completely responsible for civil aviation safety regulations in the country, and the flying public is completely dependent upon the government's ability to maintain within this group those competent and able people. I am not approaching this subject in a partisan manner, but I do not think there is any member in the House who would deny its importance.

I should like to emphasize what Mr. Walter McLeish, the head of the government's air transportation, said a few weeks ago. He indicated that the civil aviation inspectors are the backbone of the organization, in that they are in conjunction with other related officials the guardians of aviation safety in this country.

This group of civil aviation inspectors has not had a contract since 1975. If one looks at the total average income of the three subgroups within the aircraft operations group which comprises these people, one will find that the total average annual income is $25,240. A survey of 32 small independent aviation companies in Canada, on any comparability basis, indicates that the average annual income is $35,000. These people upon whom we depend to inspect and pass, for safety purposes, the other pilots of the country, are being paid $10,000 less.

● (2205)

The Canadian Airline Pilots Association has given me figures which show that in the current year for Air Canada the average annual wage for a pilot is $44,000 compared to $25,000 for those people who inspect the airplanes. At Canadian Pacific, the other major airline, the average wage for a pilot is $42,000 per year in comparison to $25,000 for the people who inspect the airplanes. We have here a situation where for a number of years we have grossly underpaid a small group of people essential to the safety of aviation in Canada. The government, especially through my good friend the Minister of Labour (Mr. O'Connell), has indicated that it wants public sector wage levels to be comparable to wage levels in the private sector and other sectors. The Treasury Board does not seem to have heard the minister or the government because their recent offer included an increase of only 5.7 per cent, which amounts to $1,425 per year.

We are facing a shameful situation in which the Government of Canada is deliberately and without justification, based upon a stated policy of comparability, not even giving these people, who have not had a contract for three years, an offer comparable with wages in the private sector. I realize there is necessity for restraint and for not allowing matters to get out of line, but I also realize that as of January 1, 1979, there were 50 vacancies in this vital group, and that since the beginning of January another ten people have left, increasing the number of vacancies to 60.

To the degree that we cannot maintain these highly qualified people, the whole safety system of aviation inspection in this country is in danger. The hon. member for Capilano (Mr. Huntington) has remarked on this matter in the House. We have had some answers from the government side, but they have not been adequate. If the Government of Canada believes that the public service should be paid the same as those in the private sector—a principle with which I fully agree—then the time has come—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired.

● (2210)

[*Translation*]

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member may think that the answers given in this House last January 25 by my colleague, the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Miss Nicholson) are not adequate but, as he raised again this matter and said that the government has refused to sign a contract with civil aviation inspectors since 1975, I shall repeat part of the answer given in the House, as I said, on January 25 and I quote:

> The group has been without a collective agreement since July, 1975. Both the former and current bargaining agents refused to enter into a new collective agreement. They thought it might prejudice their attempts to have overturned the order—

The hon. member should listen to what I have to say. He probably did not read the answer given on January 25 and if he does not agree with that answer he should ask a new question tomorrow and ask again for a late show and we shall try to give him more explanations. Mr. Speaker, he just has to listen.

The regulations of the Anti-Inflation Board limited to $2,400 the maximum increase, and the civil aviation inspectors group appealed the government's decision. There being an

appeal, the bargaining agents of the group refused to sign the agreement. The government unilaterally granted the maximum authorized in August 1976 by the Anti-Inflation Board for that period, so that the salary of the group has increased by 11.5 per cent from July 1975 to July 1976—

[*English*]

The Acting Speaker (Mr. Turner): Order. The hon. parliamentary secretary has the floor.

Mr. Lapointe: It was the comparability question that was involved, that is what you said. On this question of comparability, I do not think we can say much in this House tonight. I should like to say, however, that since the aircraft operations group recommenced negotiations on January 30, that surely is best way in which to discuss comparability of rates of pay at the bargaining table, rather than this chamber. A system for collective bargaining for public servants is in place and we should permit that system to work without undue interference from members of parliament.

STATISTICS CANADA—ABOLITION OF JOB VACANCY SURVEY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question to the Prime Minister yesterday was based on the premise that the job vacancy survey which has been done away with was a very important statistic which should not have been done away with lightly. It was a legitimate measure of the job demand and job opportunity for the hundreds of thousands of unemployed Canadians in this once stable and prosperous country.

In 1974, for example, there was an average number of job vacancies on a daily basis of 102,000. In 1978, the average number of job vacancies on a daily basis was 44,000. This means that only half the number of vacancies existed last year on a daily basis as existed four years ago. This is the part of the government's record of non-achievement, like the devastating $1 billion per month deficit, about which they do not like to have data published.

In the best traditions that existed years ago, when they would shoot the messenger who brought bad news, it appears someone—probably the chief statistician on instructions from the PMO—decided to do away with the embarrassing statistic that showed there were less than 50,000 jobs for the nearly one million unemployed in this country.

People like the president of the Canadian Labour Congress protested and wrote the Prime Minister (Mr. Trudeau) asking for a change in policy in this regard. I wanted to know the response given to Mr. McDermott's letter of last November. Instead the Prime Minister, for some reason, gave me an answer which had nothing to do with the question I asked but which referred to the consumer price index.

The minister responsible, and I hesitate to use that word referring to ministers across the aisle—the minister in charge, if I could use that instead—said that Statistics Canada placed a high priority on its labour surveys. If that is so, why did it abolish this important statistical adjunct of labour surveys? One must also ask why Statistics Canada is doing such a stupid, time-consuming, complicated, expensive survey as the one which has drawn so much fire recently in this House, while not being able to carry on the very legitimate and necessary measurement of jobs for Canadians?

The history of Statistics Canada's problems related to this and other matters goes back some distance. It is not just focussed in the recent criticisms of the C.D. Howe Institute or editorials in *The Globe and Mail*. It goes back beyond that, as most hon. members realize. In an article which appeared in the Toronto *Sun* on November 8, 1976, Doug Fisher wrote:

> A top heavy executive structure, too many high salaried, well educated, under used, rank and perquisite conscious officers, topped by a boss who has lost control because the structure is too complex for him, not least because he's a relative outsider.

The Minister of Finance (Mr. Chrétien) is having problems with Statistics Canada. He was once in charge of it when he was minister of industry, trade and commerce. In that respect, when questioned by the hon. member for Vegreville (Mr. Mazankowski) and myself on November 8, 1976, he said he would seek answers from the chief statistician to the vexing problem of unacceptably inaccurate data emanating from Statistics Canada about our national economy. This is the same minister who turned down my request for an inquiry into Statistics Canada and refused the wager of my seat against his regarding conditions in Statistics Canada. All of this is a matter of record. We must consider that only two years later the same minister, now in finance, and, to use a paradox, in charge again of our national economy, has the gall to criticize Statistics Canada for sins it committed while he was in charge. One can check the minister's press conference of last August when he panned the data produced when he was, to use a misnomer, in charge. Were it not for the harm being done to the economy by the data being put out by Statistics Canada, it would be poetic justice if this minister, who is now being hampered by the data from Statistics Canada, were to be victimized, particularly when he had a chance while in charge to to something about it, instead of acting as an apologist. Perhaps the most alarming problem in Statistics Canada in relation to this issue is the number of complaints arising in the department, the number of grievances being filed by the Public Service Alliance and the way in which these grievances are being dealt with when they reach higher levels. It shows dissatisfaction by the employees, so much so that *The Globe and Mail* in its July 4, 1978 editorial labelled our national statistical agency as "Sadistics Canada."

● (2215)

Speaking of surveys let us not forget the debacle of the costly and time consuming census done in 1971. This cost millions of dollars in terms of taxpayers' money, wasted time and money lost by the private sector. It was mishandled by this agency and it was never used as the committee minutes will reveal. We are not reassured on this side of the House when we find that the Prime Minister (Mr. Trudeau) and the Minister of Industry, Trade and Commerce (Mr. Horner), either through inadvertence or lack of knowledge, confused some-

thing as well known as the Consumer Price Index with the controversial job vacancy survey.

The president of the CLC wrote to the Prime Minister concerning this last fall, and that was the subject of my question. We need a shake up in Statistics Canada. We need a minister in charge of this department who understands a little about the elementary work and its terminology. We need to remind the Prime Minister that he too has some responsibility. We probably need a new chief statistician in the person of a top administrator. There are lots of people around, believe it or not, who could fill that position. For instance, Mr. Sylvain Cloutier is a name that comes to mind. He is a man with a proven track record in this regard.

We cannot tolerate any longer our national statistical agency seething with incompetence in the production of data, despite the apologists on the other side. It is obvious from the comments made by reputable financial institutions that it is hampering this country's economy—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired.

[*Translation*]

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in accordance with the public expenditure cutbacks announced by the government last August, Statistics Canada's budget for next fiscal year has been reduced. Consequently this statistics agency had to examine and evaluate carefully all its on-going programs to see what could be cut back or discontinued.

The basic principle used in this task was to protect all the major national economic statistics. Except for these, however, all surveys were reviewed and classified by order of importance, the objective being to discontinue some. The job vacancy survey was considered of a lesser priority than other series which Statistics Canada continues to produce.

The decision to cancel the job vacancy survey was taken after consideration of the interest shown by the users for the information collected. After inquiries sent to individuals in the private sector as well as in the government, it was realized that the information on available positions was not systematically used by economists, political authorities nor by those who are responsible for programs nor by any other group of users. To that finding was added the fact that even if it had a general indicative value, the survey did not answer the administrative aims which have finally been felt to be more important. In addition, it was costly and quite burdensome for respondents.

The survey was launched as a result of a study made by Statistics Canada in co-operation with the Department of Employment and Immigration to determine the unfulfilled manpower demand. While Employment and Immigration Canada uses those data on vacant positions to establish its quotas per profession, it is a secondary use in relation with the prime aim and there are less costly and more practical ways to meet that special need.

The collection of data for that survey has been cancelled. The last publication for 1978 will appear in March 1979. The calendar has been approved by the Department of Employment and Immigration.

In the last few years, Mr. Speaker, Canada was probably the only western country to make a regular job vacancy survey on a large scale. The United States abandoned theirs in 1973.

• (2220)

[*English*]

SHIPPING—PILOTAGE RATES FOR SMALL VESSELS

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise in connection with the question I asked in the House on December 20 of last year of the Minister of Transport (Mr. Lang) about the outrageous increase in pilotage rates in the Atlantic provinces by the Atlantic pilotage authority. I also raised the question last June in the House of Commons when the Atlantic pilotage authority first proposed these renewed increases in Atlantic Canada. I also raised it when the minister appeared before the transport committee on June 15, 1978. I pointed out to the minister that this would be the fourth increase in pilotage rates in Atlantic Canada since 1972.

The minister said they were giving $600,000 to the authority to help with their budget for this year, but that this would stop with his infamous user-pay principle and they had to be able to break even by 1980.

Large increases in pilotage fees were instituted in 1977 after tremendous opposition. Before 12 months had passed, the Atlantic pilotage authority with their voracious maw and insatiable propensity for spending money and increasing their fees were again looking for another increase. This went before the Canadian Transport Commission which held hearings in September. They compounded all of the errors and the felonies involved here by approving increases in excess of what the Atlantic pilotage authority had asked.

The commission approved an increase for small vessels of 62 per cent, for medium vessels of 30 per cent and for larger vessels of 18 per cent. This was at a time when the Prime Minister (Mr. Trudeau) was saying that we must practice restraint in Canada and keep down our wages and prices.

The Minister of Transport should get his black belt for destroying economic opportunities in the Atlantic provinces with this kind of policy, permitting what he agrees is an unsatisfactory situation. The minister says he is not satisfied with the pilotage set-up in Canada and that he will bring in legislation. Why does he not act to stop this huge increase in costs for shipping in the Atlantic provinces?

If the Minister of Transport is left to have his way, he will make a desert of the port of St. John's and other ports in Atlantic Canada. He is choking port business by allowing these huge increases in fees.

Today the Board of Economic Development Ministers announced shipbuilding assistance. What they announced was very stingy, but it will be assistance. They are going to carry out a program. They talked about assistance to the drydock in St. John's and other drydocks. What is the good of that if foreign vessels will not come into our ports because of the huge increase in pilotage fees?

The increases were approved and went into effect on January 22. We only learned of them a week later. They were in effect before we knew about them. I want to quote Captain Douglas Latter, chairman of the authority, as follows:

> Latter said a drop in expected revenues from the recent fee increase may force these fees even higher next year.
>
> The authority has calculated the higher fees will derive a 21 per cent increase in revenues, if shipping remains at 1978 levels.

● (2225)

But traffic in the harbours of Atlantic Canada is down 12 per cent from the previous year and it may go down even more despite these increases. In fact, it will probably go down because of the increases in pilotage fees. Then they will come back and ask for another increase next year.

This is a policy of choking the ports of Atlantic Canada. There must be a thorough investigation of this situation. The minister should ask that these increases not go into effect. Why the discrimination against small vessels? How can we attract foreign fleets into our ports if we impose these increases of 69 per cent? Take, for example, Spanish pair trawlers previously paid $650 for pilotage inward and outward at the city of St. John's and movement within the port. That fee will increase to $1,100 under the new system, a 69 per cent increase. For a single Spanish trawler the increase will be 48 per cent, from $370 to $550. We spent three years persuading the Spanish fishing fleet to come back to the city of St. John's to conduct their business instead of St. Pierre and Miquelon, the French territories, and now we are going to lose it again because of these huge increases.

Not only that, but the increases originally advertized by the Atlantic pilotage authority are not the increases which have gone into effect. The Canadian Transport Commission which is supposed to defend the consumer approved increases larger than were asked for by the Atlantic pilotage authority. Take the port of St. John's, for example. I will put on record the number of vessels using that port last year. There were 780 vessels of 1,828,000 tons which were Canadian-owned. This shows the small size of the vessels. In addition, there were 846 foreign vessels with a gross tonnage of 1,591,000. Again, this shows how small the vessels are. The increase to which I have referred will hurt the city of St. John's more than any other port in the Atlantic provinces. Of those foreign vessels, 180 were Portuguese trawlers, 100 were Russian trawlers, some 215 were Spanish trawlers. These increases of between 50 and 60 per cent are going to strike that traffic. How can we become the service centre of the North Atlantic in St. John's, in Halifax, in Saint John, New Brunswick, and the rest of the Atlantic ports if the government is going to permit these huge cost increases to be levied on users without concern to the efficiency with which the operation is run?

This is a quasi-independent operation. Why, for instance, should pilots in St. John's be paid on the same basis as pilots in Halifax? Pilots in Halifax have to go out ten miles to bring a ship in while in St. John's they might have to go out a mile, perhaps. In St. John's today we have several class A pilots who were originally supposed to bring tankers in and out of the Come-By-Chance oil refinery; they are now bringing in small vessels yet they have to be paid at the rates applicable to class A pilots. Surely this is not necessary. All kinds of changes could be made to reduce these costs but the government does not care. Apparently the government is not fazed by these huge increases. What is the good of giving assistance to the dockyard at St. John's, putting in a synchro-lift, if we are scaring off potential traffic? Here is Atlantic Canada on the verge of a breakthrough at last in these areas—

The Acting Speaker (Mr. Turner): Order. I regret to inform the hon. member that his allotted time has expired. Order at the back of the House!

[*Translation*]

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Under the Pilotage Act, Mr. Speaker, pilotage authorities should establish fair and reasonable rates which would enable them to make some profits and to accrue all other income needed to finance their own operations.

When the act came into force in 1972, we were aware that considerable increases would be necessary to attain that objective but we hoped that the four pilotage authorities would become financially autonomous from three to five years later. The Pacific and Laurentian pilotage authorities have already achieved that end and consequently they do not need any government subsidy. The Great Lakes and Atlantic pilotage authorities recently published new rates which, according to them, will enable them to become financially autonomous within two years. As foreseen in the act, representations were made to the Canadian Transport Commission which held public hearings and made a decision in each case. As far as the Atlantic region is concerned, the commission recommends an increase in the rates established by the port of St. John's, an increase of 40 per cent for small vessels, 25 per cent for average vessels and 35 per cent for larger vessels.

● (2230)

[*English*]

The foreign fishing vessels to which these rates will apply are, for the most part, Portuguese, Spanish, Russian or Japanese. Because of the number of vessels moving in the harbour, the pilotage authority believes that pilotage is essential for reasons of security.

In so far as the rates which I have indicated are concerned, the normal review processes of the Canadian Transport Commission are available to interested parties to pursue.

The Acting Speaker (Mr. Turner): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.32 p.m.

HOUSE OF COMMONS

Friday, February 2, 1979

The House met at 11:00 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

MUNICIPAL GRANTS ACT

REQUEST FOR MEASURE TO AMEND—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise pursuant to the provisions of Standing Order 43 to present a motion for the unanimous consent of the House. I have sent a copy of this motion to the Minister of Finance (Mr. Chrétien) to give him the opportunity, which I am sure he welcomes, of supporting it in the House.

Action to alleviate the revenue problems of the national capital region and other Canadian municipalities is now past due. Considerable distress has been caused by the failure to update the government's policy on grants in lieu of taxes, particularly in the regional municipality of Ottawa-Carleton where the decision to send public servants to Hull during the business day has left a large number of taxpaying businesses in serious difficulty. I therefore move, seconded by the hon. member for Hamilton-Wentworth (Mr. Scott):

That the government proceed immediately with the introduction of an act to amend the Municipal Grants Act, and arrange to send the subject matter to the appropriate standing committee, to enable the committee to fully examine the question of grants in lieu of taxes, and hear representatives of interested municipalities.

Mr. Speaker: The introduction of such a motion for debate at this time pursuant to Standing Order 43 would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

REGIONAL ECONOMIC EXPANSION

RESCISSION OF GRANTS TO PROFITABLE COMPANIES—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Yesterday the President of the Board of Economic Development Ministers (Mr. Andras) announced a $235 million giveaway at the taxpayers' expense to large, profitable pulp and paper companies in Canada. This morning Domtar, one of the recipients of this handout, announced the acquisition of Reed Paper Limited, of Toronto. In view of Domtar's profits of $63 million in 1978, an increase of 136 per cent over the previous year, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House strongly urges the government to rescind the policy announced yesterday of providing large, profitable pulp and paper companies with the taxpayers' money, since the industry is simply using these profits to increase their concentration without providing one additional new job in the Canadian economy.

Mr. Speaker: Such a motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CRIMINAL CODE

REQUEST FOR AMENDMENT TO PROTECT VICTIMS OF RAPE—MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The rape bill, C-52, presented for first reading by the former minister of justice has been abandoned by the present minister. The bill redefined rape for the purpose of ensuring the protection of the victim from cross-examination with reference to past sexual conduct, all of which was requested by all women's organizations in Canada. I therefore move, seconded by the hon. member for Halton-Wentworth (Mr. Kempling):

That the Minister of Justice produce a new bill assuring the protection of the raped victim from being brutalized by cross-examination and being categorized as a compellable witness by the defence to determine the right to produce such evidence in a voir dire, meaning a trial within a trial, and its admissibility during the main trial to prevent fear tactics against victims reporting the crime in question.

Mr. Speaker: Such a motion can be debated at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1110)

UNEMPLOYMENT

YOUNG CANADA WORKS PROGRAM—REQUEST FOR DETAILS OF ALLOCATIONS TO BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of serious and urgent necessity which involves the blatant misuse of public funds and the pursuit of narrow, partisan political motives in allocating funds on a constituency basis under the current Young Canada Works program. An analysis of the allocations made to the 23 constituencies in British Columbia shows that the ridings represented by Liberal members have received 50 per cent of all funds available to the entire province despite the fact that the allocations cannot be related to or reconciled with youth unemployment statistics. I therefore move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the Minister of Employment and Immigration be required to lay before the House immediately, or at least before any disbursement of the $6 million dollars allocated to British Columbia is made, all documentation and criteria on which the allocations are based and that the minister be instructed to cease forthwith this ridiculous practice of political pork-barrelling.

Some hon. Members: Hear, hear!

Mr. Speaker: Such a motion under the terms of Standing Order 43 can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

REQUEST FOR DECREASE IN FOREIGN FACTORY SHIPS AND FREEZER-TRAWLERS—MOTION UNDER S.O. 43

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion on a matter of urgent and pressing necessity. In view of the stated aversion of the Minister of Fisheries to the construction of even one freezer-trawler by Canadians for the catching of presently underutilized species, while licensing in 1978 some 300 foreign factory ships and some 190 freezer-trawlers within our 200-mile limit, an action which is decreasing the supply of fish for our inshore fishermen, I ask leave to move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the minister institute a policy to progressively decrease the number of foreign factory ships and freezer-trawlers within our economic zone for 1979.

Mr. Speaker: Such a motion can be introduced at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

LOTTERIES

REQUEST FOR STUDY OF SOCIAL AND SOCIO-ECONOMIC EFFECTS—MOTION UNDER S.O. 43

Mr. Jim Fleming (York West): Mr. Speaker, I rise under the terms of Standing Order 43 on an increasingly urgent matter. Since the establishment and expansion of the number of government-operated lotteries has coincided with a general decrease in charitable donations to private sector volunteer service organizations, and considering that there is evidence that lower and middle income groups are disproportionate buyers of those lottery tickets, I ask leave to move, seconded by the hon. member for York South (Mrs. Appolloni):

That this House urge the government to undertake a thorough study of the social and socio-economic effects of the lotteries to determine whether they are becoming a voluntary tax aimed at the poor while crippling the ability of private sector agencies to raise sufficient funds to help the same people.

Some hon. Members: Hear, hear!

Mr. Speaker: The presentation of such a motion for debate at this time, pursuant to Standing Order 43, would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PARLIAMENT HILL

REQUEST FOR HEARING OF PICKETER—MOTION UNDER S.O. 43

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I rise on a matter of urgent and pressing necessity to seek the unanimous consent of the House to present the following motion under the provisions of Standing Order 43. Our "lady of the lonely vigil" has demonstrated to all Canadians her deep-felt injustice by her personal sacrifice and attendance at the entrance to the parliament buildings. I therefore move, seconded by the hon. member for Brant (Mr. Blackburn):

That the Prime Minister, as an indication of his humanity to a fellow Canadian, at least provide a hearing as requested so that this beleaguered woman may have her hearing and be allowed to depart.

Some hon. Members: Hear, hear!

Mr. Speaker: Presentation of such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1115)

ORAL QUESTION PERIOD

[*English*]

FINANCE

INQUIRY WHETHER CENTRAL BANK EXCHANGES ARRANGED

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is addressed to the Minister of Finance. Has the government arranged or is it attempting to arrange central bank swaps with Germany, Switzerland or Japan?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the answer is no.

Mr. Stevens: Has the minister or anybody in his department or at the Bank of Canada had ongoing discussions with the International Monetary Fund with respect to our foreign exchange position?

Mr. Chrétien: No, Mr. Speaker. The credit of the Canadian government is very good. We have not gone to the IMF. We are having no special discussions with the fund at this moment, and we are not planning any.

Mr. Stevens: Mr. Speaker, as the lines of credit arranged with Canadian chartered banks and certain foreign banks of $5.5 billion are now more than half used up, would the minister indicate whether attempts are being made to arrange any further lines of credit?

[*Translation*]

Mr. Chrétien: Mr. Speaker, the answer is no.

[*English*]

INQUIRY WHETHER FOREIGN EXCHANGE FLUCTUATIONS AFFECT BORROWING

Mr. James Gillies (Don Valley): Mr. Speaker, I have a supplementary question for the Minister of Finance. Is the Government of Canada hedging against potential losses on its borrowing because of foreign exchange fluctuations?

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I explained the system of foreign borrowings on several occasions before the committee. I will appear before the committee next week, and so will the governor of the Bank of Canada, and if the hon. member wishes to ask questions we will be pleased to answer them. I hope that the Leader of the Opposition will also attend when the governor will appear before the committee.

[*English*]

Mr. Gillies: I take it the answer is no, Mr. Speaker. Is the government arranging with the provinces some sort of insurance scheme against losses on foreign exchange fluctuations in order that they can come back into the capital markets?

Mr. Chrétien: Mr. Speaker, the borrowing by the provinces is done by them. We have talked with the provincial ministers of finance. I met with them in December, and there was no such discussion.

Mr. Gillies: Will the Minister of Finance consider arranging an insurance program so that the provinces can go back into foreign borrowing?

Mr. Chrétien: Mr. Speaker, we are not thinking in those terms at all.

* * *

CONSUMER AFFAIRS

REQUEST FOR ROLLBACK OF ALGOMA STEEL CORPORATION PRICE INCREASE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Yesterday morning Algoma Steel in Sault Ste. Marie raised its prices once again, the third time in 12 months. It is anticipated that other steel companies in the industry are going to follow suit almost immediately. Such increases will permeate the economy and profoundly affect the cost of living. Since Algoma increased its prices last year by at least 10 per cent and experienced profit increases last year of 209 per cent, will the minister insist that this company roll back the announced increase until it can justify further increases and that only at that time will the government permit a price increase?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will refer that matter to the director of investigation under the Combines Investigation Act to see if there is any possible infraction of that act. I will also refer the matter to CSIP, which is in a better position than I am to analyse that type of increase. Following the receipt of information I will be able to know if I am in a position to take any other action; but I should tell the hon. member that I have no legal authority to force rollbacks. We can jawbone and have discussions with business executives, but we have no authority under the law to roll back.

Mr. Broadbent: Mr. Speaker, the minister knows well that ministers of the Crown and the Prime Minister in particular have very significant moral authority in a political system. Two United States presidents in recent years, Kennedy and Johnson, called in steel industry heads under similar circumstances, requested rollbacks and got them.

Considering that the workers involved at Sault Ste. Marie received increases of only between 7 per cent and 8 per cent, below the increase in the cost of living, last year, and considering that the profit figure for Algoma is up to 209 per cent and it is now going through with a third price increase in a year, does the minister not think it is time to stop referring such increases? The minister has dealt with food prices, lumber prices and Bell increases in the past. It is time to stop referring

increases to committees for investigation and to take direct action to stop increases.

Mr. Allmand: Mr. Speaker, before we take action I think we should be certain of the grounds on which we act. It is not as if we are referring matters to committees. I did not say that.

Some hon. Members: Oh, oh!

Mr. Allmand: Of course, the New Democratic Party often acts without thinking or checking facts, but we do not do that. I said that these are serious matters, that I will check out the information, and if it is appropriate to do so I or one of my colleagues will talk to these executives and ask them to act in a reasonable fashion.

● (1120)

Mr. Broadbent: Two days ago the minister suggested—and I did not raise this as a question of privilege although it would have been permitted—that my statistics were wrong. A colleague of his many months ago said we were wrong when we pointed out there was hidden unemployment in this country, and not many months afterwards another department confirmed that what we had to say was the truth. If the minister has an accusation to make, I should like to suggest that he make it in the House; but short of doing that, will he take action on behalf of the consumers of this country and on behalf of the workers whose wages and incomes are being held down and have been held down under the controls program to ensure that there is some economic justice, instead of making little speeches against the opposition?

Mr. Allmand: As I said before, Mr. Speaker, we are willing to take action, but unlike the opposition, unlike the NDP, we do not believe in knee-jerk reactions every time something happens. When we act, we want to act on a sound basis. I believe that these price increases are serious and we will take action, but it will be action appropriate to our authority.

An hon. Member: Lots of talk, a great heart and no guts.

Mr. Allmand: You have neither.

* * *

[*Translation*]

AGRICULTURE

INQUIRY WHETHER COMPENSATION WILL BE PAID FOR LOSSES OF APPLE PRODUCERS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of Agriculture.

Apple producers in the Quebec area have experienced losses in the sale of their product during 1977 and 1978. Can the minister tell the House whether he has received representations from that organization asking him to appeal to the Agricultural Stabilization Board so that they be granted compensation for 1977?

[Mr. Broadbent.]

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, many members have made representations to me on behalf of apple producers in the province of Quebec, some as late as this week. I am happy to say that the stabilization board's submission was approved yesterday. This amounts to 1.95 cents per pound, because of low prices and the poor climatic conditions they have had for colouring of the apples, etc. These apples did not reach the grade enabling them to go into the normal market. Many of them were used for apple juice and cider, and the competition from the low priced apples from across the border in the United States made it impractical for the producers to carry on an economic operation, so we saw fit to stabilize their apple prices for that year.

[*Translation*]

Mr. Lambert (Bellechasse): In view of the minister's intelligent reply—

Mr. Lapointe: As usual.

Mr. Lambert (Bellechasse): As usual. May I ask, if the problem was definitely settled yesterday, in how many weeks apple producers can expect to get a monetary settlement as a result of yesterday's decision?

[*English*]

Mr. Whelan: Mr. Speaker, the applications are available through our Quebec regional office, the fruit and vegetable division of the food production and marketing branch of my department. These applications are available for producers to fill in, and as soon as they are filled in cheques will be sent out to them as soon as possible. The quicker they receive the applications, the quicker they can send out the cheques.

* * *

FINANCE

LIMIT OF EXCHANGE RATE ON FOREIGN BORROWING

Mr. Robert de Cotret (Ottawa Centre): Mr. Speaker, my question is for the Minister of Finance. At what exchange rate will the government consider stopping to borrow abroad?

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, we are allowing our dollar to float just now and we do not intend to change our policy. I have already explained on a number of occasions that we are now borrowing abroad because the provinces, municipalities and corporations which normally do borrow abroad have reduced their borrowing, and we have decided to take their place. Whether it is a federal, provincial or municipal government which is borrowing, the result is absolutely the same on the exchange market.

INQUIRY CONCERNING EXCHANGE RATE

Mr. Robert de Cotret (Ottawa Centre): Mr. Speaker, I have a supplementary question. Could the Minister of Finance indicate whether the purpose of a major part of his borrowing is to stem the outflow of Canadian capital?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the situation as to the outflow of Canadian capital is not more difficult than it was over the past few years.

* * *

● (1125)

[*English*]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHETHER PROGRAM EXPENDITURES TO BE REDISTRIBUTED

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the President of the Board of Economic Development Ministers. Yesterday he announced with great fanfare massive government infusion of funds to brighten the future of the bleak forest converting industry. Unfortunately the only bright part of the interview was the lights shining on the minister, because they obscured the key phrase in the minister's statement which indicated that the money will come from a gradual redistribution of expenditures of existing and future DREE agreements. Is the minister able to tell us today which of the Department of Regional Economic Expansion programs will be affected and thrown into this shell game? What regional shifts will take place to accommodate the minister's new scheme?

Hon. Robert K. Andras (President of the Board of Economic Development Ministers): Mr. Speaker, the expenditures through the Department of Regional Economic Expansion for forest products industries in fiscal 1979-1980 will not require one dollar more than the amount already allocated to that department. Therefore, there will be no additional cash flow burden on the fiscal framework. For the subsequent years, ranging from five to seven years, DREE has some projected budgets which will contain additional funding for these particular agreements. At some stage perhaps it will displace some other scheme which might have taken place. There is a possibility of a range of approximately $15 million per year following 1979-1980 which may require new funding; but it is possible to consider containing even that within the projected DREE budgeting.

Mr. Oberle: Mr. Speaker, since the minister's statement was related to the tabling of the task force report which contained 39 specific recommendations, the major one being the refurbishing of crucial research efforts and the efforts of the forest products laboratories, is the minister able to say whether any of the money he is talking about shifting from other agencies will be directed toward that type of effort? Would he not agree that really he was misleading Canadians yesterday in front of the television camera by letting them believe he was serious about supporting an industry facing a bleak future?

Mr. Andras: Mr. Speaker, the hon. member knows very well his last comment is absolute nonsense. As to the need for research within the forest resources management aspect of the program announced yesterday, yes, very definitely there will be research for regeneration and for examining faster growing species. Those will be negotiated with the provinces, but it is intended very definitely to contain a serious effort in that direction.

* * *

TRANSPORT

REPORTED REDUCTION IN CROWSNEST PASS RATES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. In the absence of ministers from the prairie provinces, I have to direct a question to him on a matter which affects deeply western farmers. It has to do with a report of discussions on the prairies in the last few days that consideration is being given to the removal or reduction of Crowsnest pass rates which, according to the Snavely commission, would mean a loss to western farmers of $160 million to $300 million a year. Being fully conversant with this problem, will the minister promise that as long as he is minister this will not be agreed to by him?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I sincerely promise the House and the right hon. member that as long as I am minister I will continue to serve western Canada to the best of my ability.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Horner: Specifically regarding the Crowsnest pass rates, I am fully aware of the extensive discussions which are going on in the prairie provinces today respecting the controversy as to whether the rates are beneficial or harmful. I noted last week, I think it was, that the farmers' union—Unifarm, the farm organization in the province of Alberta—has advocated some changes. I myself, of course, will be taking my own census of the mood of the prairies with regard to this very important subject matter this weekend and in the coming months.

● (1130)

Mr. Diefenbaker: A supplementary question, Mr. Speaker. The minister deserves no congratulations for having joined in the thinking of a government that is very evasive on this subject. That surprises me greatly. What I ask him again is this: Does his evasiveness indicate that he is now in a state of uncertainty because of the attitude of some of his fellow ministers and that the Crowsnest pass rates, so far as Saskatchewan is concerned, to which I referred a moment ago

with respect to the loss will not be interfered with? That is the simple question.

Mr. Horner: Mr. Speaker, the answer is that rarely am I uncertain, and I am not uncertain on this question at all. I think that this government will act in accordance with the wishes of the people in western Canada. The people in western Canada today—Unifarm, the western stock breeders and other farm organizations in the province of Alberta—are suggesting that maybe now is the time to make some changes. I am not saying that I am in complete agreement with them, nor am I saying that Saskatchewan is in complete agreement with Alberta. I am saying that there is a general discussion going on in the prairies and I am fully aware of it. I believe, too, that the premiers of the prairie provinces are prepared to discuss this subject, maybe even next week, I am not certain; but I know this general discussion is going on, and I will continue to monitor it to the best of my ability.

An hon. Member: You make Paul Martin look straightforward.

Mr. Diefenbaker: A final supplementary question. This example of evasiveness convinces me that the minister is going to join with the rest of the government and do away with the cornerstone of western farming operations.

Mr. Horner: Mr. Speaker, on that point, I cannot help but note that at the premier's meeting on transportation which was held in Winnipeg, the co-chairman of the meeting, Premier Lyon, suggested that the Crow rates would probably be the first thing on the agenda at the western premiers' conference which will be held in March.

Mr. Diefenbaker: I am asking what you are going to do.

Mr. Horner: I just point out that a general discussion is taking place in western Canada and this government is aware of it.

Mr. Diefenbaker: And there is general evasiveness.

* * *

FINANCE

SPECULATION ON IMPOSITION OF FOREIGN EXCHANGE CONTROLS

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, from time to time the Minister of Finance has commented in this House that the government has no plans to introduce foreign exchange controls. However, in the past couple of days the media have commented nationally that perhaps in the near future Canadians may be facing that prospect. Would the minister like to clarify this contradiction?

[Mr. Diefenbaker.]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I have said, and I would like to repeat, that I have absolutely no plan for imposing exchange controls in Canada. I have said that for a year and a half and I repeat, I have no such plan for today, for next week, for next month or for next year.

* * *

PUBLIC SERVICE

REQUEST FOR SALARY INCREASE FOR CIVIL AVIATION INSPECTORS ON BASIS OF COMPARABILITY

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is directed to the President of the Treasury Board. It concerns the civil aviation inspectors and the negotiations that are going on. As the minister no doubt knows, in debate last night it was made quite clear that on any basis of comparability these particular people are being paid many thousands of dollars less than other aviation people in the industry. In view of the fact that the Air Canada average is $44,000 per year, Canadian Pacific Air $42,000 per year, and that in three other airlines the average is $37,000, while the average of these civil aviation inspectors I refer to is $25,000 per year, is the Treasury Board going to make an offer to them immediately on the basis of comparability, which is the principle the Minister of Labour keeps talking about?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, as the hon. member knows, we are currently in negotiation with these groups. I do not think one conducts negotiations across the floor in the House of Commons, and I think the hon. member should be aware of that. A mandate has been given and the negotiators are endeavouring to reach a settlement. I am optimistic that they will be successful.

Mr. Fraser: A supplementary question, Mr. Speaker. If the government had dealt with these people with justice I would not have to raise the matter in the question period. In view of the fact that the only offer from Treasury Board is $1,400 per year, how can the minister stand in this House and say this is not the place to raise the issue? This is a matter of straight injustice and is contrary to the policy of the government. I want the minister to give an assurance to this House and the Canadian people that the question of comparability will be applied in these negotiations.

Mr. Buchanan: Mr. Speaker, I should like to make the point very clearly that there was a dispute on behalf of this group which changed its union representation.

Mr. Fraser: That has nothing to do with it.

Mr. Buchanan: They took the dispute through. They disputed the AIB ruling, they went to the administrator, they went to the Federal Court.

Mr. Fraser: You passed a law that negated their victory.

Mr. Buchanan: During that process, and in spite of that fact, we granted to them at regular intervals the maximum to which they were entitled under the AIB regulations at the time. We attempted to deal honestly and fairly with this situation. As I said, we are currently in negotiation with these groups and are optimistic that we will reach a satisfactory settlement.

REQUEST FOR CONCILIATION BOARD

Mr. Ron. Huntington (Capilano): A supplementary question to the President of the Treasury Board on the same matter, Mr. Speaker. I would not want to say that he has misled the House, but it is a fact that these negotiations that started on January 30 have broken off. The other day the minister assured me in the House, or nodded in the House, that a meaningful negotiation would be entered into. They opened with 3 per cent, Mr. Speaker, and ended up with 5.7 per cent. This is an insult to this group which has fallen completely behind all other areas in that industry. The thing that is so important here is that the civil aviation standards—

Mr. Speaker: Order, please. Does the hon. member have a question?

Mr. Huntington: In view of the fact that this is a most serious situation for this country and for the safety of aviation, will the President of the Treasury Board now assure us that they will ask for a conciliation board so that this matter can be resolved once and for all in a fair and proper manner, instead of the games that have been played by his representatives in these negotiations over three years?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, I do not have anything to add to the comments I made to the previous member.

Mr. Huntington: A final supplementary question, Mr. Speaker. The President of the Treasury Board did not answer a very simple question. Will Treasury Board request a conciliation board so that this matter can be properly dealt with?

Mr. Speaker: Order, please. That is obviously a repetition of the previous question.

* * *

REFERENDA

INQUIRY WHETHER CANADIANS WILL BE CONSULTED ON STATUS OF QUEBEC IN CONFEDERATION

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is directed to the Minister of Justice. In view of the minister's statement earlier this week that the federal government might organize a referendum on the question of the province of Quebec remaining within confederation if Mr. Lévesque does not set a date for one this year, could the minister say whether all Canadians will be able to express themselves on this subject or will it be confined to Canadians living within the borders of Quebec?

[*Translation*]

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, the legislation which is now before parliament was passed yesterday in the House and is now being studied by a House committee. It is quite clear on the fact that referenda organized by the federal government must deal with constitutional issues. It also stipulates that those referenda can take place in one, several or all provinces. Once this bill becomes law, the government can consider the different hypotheses, the different alternatives and once the government has chosen a particular one, it would be submitted to parliament for discussion and debate, for at least 40 hours in the House and 40 hours in the Senate. I think that when a specific question is proposed to the House, we will have the opportunity to discuss together exactly what fields the question will encompass.

* * *

[*English*]

CRIMINAL CODE

REQUEST FOR AMENDMENT TO PROTECT VICTIMS OF RAPE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Minister of Justice. The former minister of justice introduced a bill, C-52, which redefined rape. Prior to that a former minister of justice amended the Criminal Code to the effect that a victim of a rape would not be subject to cross-examination. The courts have now ruled that these people are compellable witnesses in a trial within a trial, called a voir dire. The matter is to go before the Supreme Court of Canada.

● (1140)

Would the minister advise the House if he will again bring forward a bill similar to C-52, something which has been requested by the women's associations of Canada, so that this matter can be clarified and victims of this horrible crime will not be brutalized by counsel for the defence in their questions as to past conduct?

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, obviously I would not want to comment specifically on a case which is going before the Supreme Court of Canada at the present time. This case will proceed in due course in its formal way.

With regard to the general provisions brought forward last year dealing with the crime of rape, my intention is to bring before the House a new series of amendments to the Criminal Code which will deal not only with the issue of rape but all sexual offences, following the recent report of the Law Reform Commission, the recommendations of which we are examining.

I have already indicated that there is at least one recommendation which I will not accept, that being the removal of incest from the Criminal Code, but the other recommendations are

being examined very thoroughly. I hope very soon to be in a position to table before the House further amendments in this respect. Obviously, the area of rape is one that will be covered under those amendments.

Mr. Woolliams: Mr. Speaker, I appreciate the minister's answer, which was quite wordy, but I would like him to answer my original question directly. In the bill which he now intends to bring before the House, will this particular matter, the right of cross-examination in order to determine the admissibility of evidence and the right to cross-examine the victim in the main trial, be dealt with and the former amendment—which was introduced by this government and did more harm than good—be deleted to protect the women of this country, as the women's associations have recommended, irrespective of what the Law Reform Commission says? Because these associations do not agree with all of its recommendations.

Mr. Lalonde: Mr. Speaker, last year proposed amendments were brought before this House which had wide support among women's organizations. Certainly the comments made at the time by the hon. member about the proposals were not very well received by women's organizations. As a matter of fact, the hon. member got his party into a great deal of trouble at the time with women's organizations by his comments on this whole issue of rape.

We are reviewing those proposed amendments pursuant to representations made by women's organizations, and the hon. member will have ample opportunity to consider and debate those amendments when they are properly before the House.

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CONSUMER AFFAIRS

COPPER—REQUEST FOR INVESTIGATION OF PRICE DIFFERENTIAL BETWEEN UNITED STATES AND CANADA

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is addressed to the Minister of Consumer and Corporate Affairs. Since two major Canadian copper producers, namely Texas Gulf and Noranda, have increased the price of copper by four cents a pound in Canada, but by only three cents a pound in the United States, will the minister investigate this price discrimination and cause the companies to justify why Canadian industry and consumers must pay more than their American counterparts for a Canadian-produced product?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I answered to a previous question, I would be pleased to do all I can under my legislative authority. These price increases are serious and important, and I will refer them to my director of combines to see if there is anything illegal under the law and if there is any action that can be taken.

Mr. Symes: Mr. Speaker, in view of the fact that Noranda Mines experienced a profit increase of 117 per cent in 1978 over 1977, will the minister call in the president of the company and persuade him to practice the kind of restraint in price and profit increases which the Prime Minister has recently been demanding of labour, which saw its real wages decline by 2.4 per cent last year?

Mr. Allmand: Mr. Speaker, I do not know the details of this particular case, but I said I would look into it. I should point out to the hon. member in the House that many of the increases in profits by Canadian companies have been due to the fact that they are selling a considerable amount abroad, much more in the last couple of years than they have in previous years, owing to the difference in the value of the dollar. Because of these increased sales, of course, there has been an increase in profits. But I will check the particular case and determine if there is anything irregular.

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INDUSTRY

STEEL—PURCHASES IN UNITED STATES AT INFLATED PRICE

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs as well, if I could have his attention. Last year Canada's secondary industry in the manufacturing of steel products had to go abroad to the American market to buy steel which had been manufactured in Canada and sold to the Americans at an inflated price. Will the minister look into this action and see that it does not happen again this year?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not know if that particular problem falls under the authority of my department. I will check the matter and if it does not I will refer it to the appropriate minister.

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LOTTERIES

REQUEST FOR STUDY OF SOCIAL AND SOCIOECONOMIC EFFECTS

Mr. Jim Fleming (York West): Mr. Speaker, my question is also to the Minister of Consumer and Corporate Affairs. Considering the indications that private sector social agencies have had more difficulty in recent years raising money because of the establishment of legalized government lotteries and then the proliferation of those lotteries, and considering that there is a view widely held by many people, including myself, that the major participants—in fact, a disproportionate number of participants—in the lottery programs are the poor and the near poor, I wonder if the minister would support a government investigation into the social and socioeconomic effects of lotteries? If so, would he then urge his cabinet colleagues to initiate such a study?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do agree that such a study is important, and I will take steps to see that it is undertaken. I have already in months past spoken to the minister responsible for lotteries with respect to greater consumer representation on the board of Loto Canada. My department is also checking some of the advertising of the differrent lotteries to determine whether it is fair and honest.

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AGRICULTURE

PROTECTION OF FARMERS AGAINST HIGH-PRICED IMPORTED BALER TWINE

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, my question is for the Minister of Agriculture and concerns the allegations that foreign baler twine is being dumped into Canada. Has the minister made any representations to the deputy minister of revenue, who has an investigation on at the present time in that regard, to ensure that Canadian farmers are not forced into paying artificially high prices for imported twine out of natural fibres, just so that Canadian manufacturers which make plastic twine will be protected?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I believe that I have answered a letter from the hon. member in this regard, but I do not know if he has received it. There is an inquiry going on within the department, but I do not think that it is finished yet. My concern, regardless whether it is plastic twine or the old type of binder twine that we use, is that we get it at a reasonable price in order to make operations more efficient.

Mr. McKinley: Mr. Speaker, I believe that the minister is mistaken in his answer and that he is referring to another inquiry dealing with getting the Department of National Revenue to remove the sales tax on twine purchased by farmers without having to use end-user certificates. The minister lost that round.

This is a separate inquiry numbered D37-2 by the Department of National Revenue and has to do with an investigation already going on. Will the minister make representations to the Minister of National Revenue or the deputy minister who is causing this inquiry to ensure that, if a surtax or an extra provisional duty is put on, farmers will be able to purchase twine without that extra duty through the use of end-user certificates.

Mr. Whelan: Mr. Speaker, I am sure that the hon. member knows that I do not end a fight after one round. I am not finished with that matter, but the hon. member is entitled to his opinion. I will certainly make inquiries with regard to the hon. member's representation.

● (1150)

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION INTO SALE OF MILITARY EQUIPMENT TO IRAN

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Solicitor General. Because of the obvious difficulties of carrying on any further investigations in Iran and the reputed flow out of Iran of millions of dollars of U.S., Canadian and foreign currency credits by members of the Iranian royal family and others, and because of the very serious allegations that have been in the hands of Canadian law enforcement agencies for over two years, can the Solicitor General report now on the results of investigations into these allegations, which in effect were with the full knowledge and complicity of Canadian civil servants and perhaps of the Canadian government itself, that bribes had to be paid to members of the Iranian ruling classes, members of the royal family and others by Canadian suppliers to the Iranian armed forces?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, the hon. gentleman knows that when these questions were raised previously I took the position that I would not comment on the investigation. I indicated to the hon. member that the investigation was ongoing. He has made certain observations relating to the current status in Iran and indeed, Mr. Speaker, the previous replies I have provided to the hon. gentleman and to this House apply even more so in view of these particular circumstances.

Mr. Lawrence: Mr. Speaker, because of the obvious interpretation that some members of the House are taking, myself included, that the minister is using that type of answer too often to evade reporting to this House on these very serious matters, and also not only because it involves an investigation in Iran but matters relating to tax records of Canadian corporations, income of Canadian civil servants and ex-Canadian civil servants, and other such matters which should have been reported long before this to the House, I appeal to the minister again to drop this evasive manner of his and to come clean on what is happening to these investigations. Are they still ongoing? Are they in Canada? Are they elsewhere? Just what is happening?

Mr. Blais: Mr. Speaker, surely the hon. gentleman knows the reason why the replies I have furnished to him tend to be non-committal; the investigations are ongoing. The hon. gentleman knows full well any comment that may be made by me or by him in any context which would tend to interfere with those investigations would be subject to serious review. The police force in Canada is one of the best police forces to be found in any democracy. It is interested, as we are, in unearthing crime, in finding wrongdoing where there is wrongdoing and in prosecuting that wrongdoing.

There is no attempt at all to do anything but permit the police force to carry through its responsibilities. That is exactly what we are doing. I would simply ask the hon. gentleman to recognize that that is what the police force is doing and to

offer his co-operation by not making that sort of sensational allegation.

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CRIMINAL CODE

INQUIRY WHETHER USE OF MARIJUANA TO BE LEGALIZED

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I would like to put a question to the Minister of Justice and perhaps two short supplementaries if possible.

Some hon. Members: Oh, oh!

Mr. Dick: The Minister of Justice made a statement during the recess that the government intended with Liberal party support to decriminalize the use of marijuana. In the context in which he made this remark during the Christmas recess, did he expand on any previous statements made by the Prime Minister last year or those made by himself in 1973?

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, our position is still to oppose the legalization of marijuana. As far as possession is concerned, we believe that the criminal character involved in this act of possession has led to tens of thousands of convictions, resulting in many Canadians, young Canadians in particular, having criminal records for offences which in many instances have been mistakes that should be attributed to their youth. We find that that is a matter that should be corrected.

While keeping possession as an offence, we do not think that a criminal record should be carried by young people and Canadians in general. I believe over 57,000 convictions were registered last year. In the last few years about 250,000 Canadians have had criminal records for the offence of possession of marijuana. We believe it is time to review this situation but obviously it is a matter that I would like to discuss further with my colleagues. If we could introduce a bill in parliament during the course of this session we will have an opportunity to re-examine this situation in the House.

Some hon. Members: Hear, hear!

Mr. Dick: Mr. Speaker, it is an important topic and I am glad to see the minister has more fully explained some of the government's thinking. However, I think this could have been clarified some six years ago when the government first started talking about it. Is the reason that he announced during the recess that the government would not be able to bring forth legislation to deal with this matter because the chairman of the Liberal election campaign committee, Senator Keith Davey, opposes—

Mr. Speaker: Order, please.

[Mr. Blais.]

MULTICULTURALISM

RECOMMENDATION OF TASK FORCE ON CANADIAN UNITY

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the Minister of State (Multiculturalism). Does the minister agree with the recommendations stated in the Pepin-Robarts task force report on unity regarding multiculturalism which seem to suggest that these interests can best be looked after by the provinces, when as they well know it is the federal level of government which has initiated and championed multicultural interests?

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): Mr. Speaker, the Pepin-Robarts report does one thing which I think is very positive in this regard, and that is to recognize the multicultural character of Canada. The report further suggests that a very heavy responsibility in this area should be assumed by the provinces. I fully support the view that provinces ought to be doing more. If we are to have equality in Canada between peoples, then our educational system ought to be involved. But specifically, if the impression is, or the statement means, that the federal government should not be involved in the role of multiculturalism, I reject that concept because the lead role that we have taken will continue to be very important to the well-being of all Canadians in this country.

Some hon. Members: Hear, hear!

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FISHERIES

INQUIRY WHETHER INTENTION TO INCREASE OR DECREASE FOREIGN FACTORY SHIPS AND FREEZER-TRAWLERS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Fisheries and the Environment. In view of the minister's stated aversion to the construction of even one freezer-trawler by Canadians for the catching of presently underutilized species, while licensing in 1978 some 300 foreign factory ships and 190 foreign freezer-trawlers within our 200-mile limit, an action that is now evidently decreasing the supply of fish for our inshore fishermen, is it the minister's intention to increase or decrease the number of foreign factory ships and freezer-trawlers licensed within our 200-mile zone in the year 1979?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, there is no way, in the time allocated to answer a question at this time, that I could correct some of the misstatements made by the hon. member; there are just too many. I recommend for the hon. member's reading and for that of any member who is interested in this matter a speech I made to the board of trade in Halifax in which I addressed this issue. Myths are being spread, some by hon. members on the other side, and particularly by the hon. member for South Shore, on the whole issue of freezer-trawlers. For example, he takes the total number of foreign vessels licensed but does not

say that some of them are licensed to catch fish for ten days or 15 days and sometimes even less. Also he does not point out that Canada's share of the fish inside and outside the 200-mile zone is increasing substantially every year. What he forgot to mention was that the share of the catch for the inshore fishery, which we and members of the New Democratic Party want to protect and which he does not, is increasing dramatically.

● (1200)

Mr. Crouse: In March, 1977 the United States passed a law refusing foreigners the right to fish within their 200-mile limit until United States fishermen had reached the limit of their catching capacity. Will the minister indicate whether he has any policy which would assist Canadians in catching some of the presently underutilized species which he is giving away to foreigners while using the excuse that they are surplus to our needs?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, the success of our fisheries policy is such that we do not have to ape what other countries are doing. The hon. member seems to forget that the very people who are advocating freezer-trawler licences, which are always conditional on getting part of the fish that small fishermen now catch, were very happy to get fish caught by foreign trawlers and to just act as brokers. The squid went right through the system without creating employment in Canada. Our policy has been to encourage small enterprises to do exactly what we did off Cape Breton last summer, which was to have a Canadian fishermen's co-operative using modest sized vessels to catch and sell fish, squid in particular. They then get some benefit, not only the brokers.

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CRIMINAL CODE

FIREARMS CONTROL—NUMBER OF SEIZURES UNDER GUN AMNESTY PROGRAM

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have a question for the Solicitor General. Recently I, like the right hon. member for Prince Albert and thousands of Canadians, acting under the gun amnesty order of the Solicitor General presented for registration an unregistered gun to a designated official of the Ottawa municipal police. While knowing that police forces had been informed it was in their interest to confiscate all the guns they could pick up, I anticipated that the minister stood behind his amnesty order. To date I have not been notified that the permit has been issued or whether it will be. I would like to know if in not supplying a permit as promised in the amnesty the minister is condoning the seizure of any guns turned in under the umbrella of his amnesty order. Will the Solicitor General indicate to the House how many guns presented for registration his friends in the various police forces seized under the surreptitious amnesty order?

Hon. J.-J. Blais (Solicitor General): First, Mr. Speaker, the hon. member did not identify the nature of the gun that was advanced. The amnesty program I announced was to run from November 1 to November 30. During that period 47,400 guns were presented either for registration or were surrendered.

The amendments to the Criminal Code affecting gun control which went into effect on January 1, 1978 provided for an extension of the prohibited gun class. In terms of the prohibited guns, those guns that fit within that category could not be owned or possessed by anyone. If they are presented at any time, they are of course seized because it is illegal to own those guns. In terms of the restricted class, that is the semi-automatic or handguns which fit within that class, those guns upon presentation during that amnesty period would be registered.

After the amnesty period, which lasted until November 30—

Some hon. Members: Order.

Mr. Blais: Mr. Speaker, there is a great deal of confusion in the hon. member's mind and I would like to clarify it. After November 30, because it had become such a popular program, I made arrangements with the attorneys general of the various provinces to have them accept prohibited guns or the surrender of other guns that would be fit for registration so that they could be registered notwithstanding the fact that the amnesty period had gone by. As I understand it, that went on in order to accommodate those people in the build-up prior to the end of the amnesty period.

Mr. Speaker: Order, please. The hon. member may ask one supplementary.

Mr. Peters: Mr. Speaker, I asked for clarification, not a reiteration of the program. Like others, I turned in guns that could be registered. We were given to understand they would be registered without penalty under the amnesty and returned. Most gun clubs in the country now charge that the minister is seizing those guns. I was promised that I would be notified whether a permit would be granted for my P-38. It has not and I have not heard from them. I must therefore assume that what the gun clubs are saying is true, that the minister is in fact seizing these guns under the amnesty program. Is that what the minister intended or not? If not, why have I not been notified?

Mr. Blais: Mr. Speaker, the hon. member should have presented that question and not read the piece of paper to which he was addressing himself. There is absolutely no intention of seizing any guns that can be registered in accordance with the law of this country. The allegations to which the hon. member refers are completely unfounded. If the hon. member has not received notification that a certificate is to be issued relating to his registration, I will see that that is done as long as the guns he has presented fit within the restricted category under the Criminal Code.

I would indicate to the hon. member or any other hon. member who has had some difficulty or may be aware of some delay in the issuance of a registration certificate to make me aware of that fact so that we can accelerate the process.

Because of the large number of guns that were presented for registration, there has been a delay in issuing the certificates.

* * *

POINT OF ORDER

MR. PAPROSKI—ATTENDANCE OF MINISTER DURING QUESTION PERIOD

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I rise on a point of order. We have difficulty in getting answers from the Minister of State for Urban Affairs (Mr. Ouellet) because he usually comes into the chamber about 15 minutes before the end of the question period. There is a demise of the urban affairs ministry. It is slowly being closed down. We understand that studies are being disposed of. They were done at a cost of millions of dollars to the taxpayers of this country. Is the minister documenting these studies and will the people of Canada have an opportunity to look at something before the department is closed and this minister is gone? It is rather difficult to ask a question ten minutes prior to the end of the question period.

Mr. Speaker: I do not know how many of the hon. member's colleagues were recognized in the question period today, but there was quite a number, thanks to co-operation on all sides of the House. I surely cannot begin to control the content of the questions.

* * *

PRIVILEGE

MR. BROADBENT—ANSWER GIVEN BY PRESIDENT OF THE BOARD OF ECONOMIC DEVELOPMENT MINISTERS DURING QUESTION PERIOD

Hon. Robert K. Andras (President of the Board of Economic Development Ministers): Mr. Speaker, I would like to try to deal with the question of privilege raised yesterday by the hon. member for Oshawa-Whitby (Mr. Broadbent). The hon. member indicated that he was concerned that I may have deliberately or inadvertently misled the House in my comments, presumably those at page 2784 of *Hansard*. I wish to inform the hon. member that I did not deliberately mislead the House nor did I do it inadvertently. I presume the hon. member's comment specifically pertains to my remarks at page 2784 of *Hansard* which, for clarity, I will repeat. In answer to the hon. member's question, I said:

> This comes about as a result of a consultative process which has been ongoing for many, many months—almost a year—in which representatives of industry, labour and management have made very definite, joint and agreed upon recommendations to the government.

The hon. member interjected:

> Labour does not agree with that.

I presume that is the basis of his concern. I did not intend that to indicate a unanimous joining by labour and management in every recommendation of the task force. The hon. member is quite correct in pointing out that Mr. Lorrain, a very senior executive officer of the Canadian pulp and paper workers, indicated at the last meeting before the task force report was finally approved that he had reservations about portions of the recommendations. That did not exclude many of the recommendations with which, my information is, that he definitely did agree. Further, there were two other senior representatives of labour working very constructively with the management and the industry on that task force and they did not at that time join him in expressing any reservations whatsoever. So I think I am entitled to assume there was a high degree of consensus between management and labour in the constructive process leading to the recommendations of the forest products industry task force.

• (1210)

The hon. member went on to indicate that Mr. Lorrain disagrees flatly with the report. Without any attributed criticism, I am not sure whether he was referring to the task force report or to the policy responses that I made public yesterday. The hon. member is indicating it is the latter. I hope that is not the case. I cannot confirm or deny what Mr. Lorrain may or may not have said in a press conference, but I hope very much to meet him very soon, possibly this afternoon, and I will explore with him any reservations he may have. At present the only information I have is through the press, from which I gather he expressed a valid concern, although I do not think it is a valid criticism of the program, that is to say, his worry about the possibility of failure to maintain the jobs and incomes of workers during any period of modernization.

I do not think that is a valid criticism because I and my department will be extremely exercised about any such possible diminution of employment in the forest industry during the modernization process as well. I would make this point, though, as far as I am concerned, the best way to maintain jobs is to have an industry which is competitive and able to carry on generating and maintaining employment. We shall be happy and fully intend to talk to anybody in that area and discuss any specific matters if, in the end, there should be a temporary diminution of employment. I respect the hon. member, as he knows, and I hope I have now cleared up this matter. I certainly did not deliberately mislead and I hope I did not inadvertently mislead anybody, and therefore I do not think there is a valid question of privilege.

Mr. Speaker: Order. I think the House will recognize that there is a legitimate difference of opinion between two hon. members but that it does not constitute a question of privilege.

* * *

BUSINESS OF THE HOUSE

Mr. Alexander: Mr. Speaker, I should like to direct a question to the acting government House leader with respect to government business, having heard his thinking in terms of multiculturalism. He had an opportunity to amend the immi-

gration bill in order to insert one word, that is, "multicultural". At that time the government members did not accept it. In order to give some credibility to that great speech he has just delivered, is it his intention to introduce a bill to amend the immigration legislation to insert the word "multicultural" in the preamble to that bill, because unless that is done his statement is just puff, fluff, and flannel?

Mr. Speaker: That is an excellent try to extend the question period but it is not going to work.

* * *

POINT OF ORDER

MR. WOOLLIAMS—STATEMENT MADE BY MINISTER OF JUSTICE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, as the chairman of the justice committee in my party I have always sought to maintain good liaison with ministers of justice because it is so necessary to keep all matters of this serious nature out of partisan politics. The Minister of Justice (Mr. Lalonde) said to me today that I had made certain statements with reference to rape and that I was in some difficulty. I would like him to produce any evidence that I have made any statements for which I have been criticized by any of the women's organizations in this country. I think the only reason he answered like that—and I want to have just a moment in which to explain—is that having become the new Minister of Justice he knows I have the confidence of the justice committee. I have been told that I have always acted in a non-partisan manner. I hope the new Minister of Justice will not act in his new portfolio as he did in his previous one and put politics into the field of justice.

Perhaps I might just make this one point—and surely I should have the privilege to do so in order to avoid misunderstanding and misrepresentation. The law of rape was changed in order to protect the victim. I have always said the reason we should have reform in this field is to protect the victim of the crime against serious cross-examination. In making the change, the government—and I was not saying this in a partisan way—left it to the judge to decide whether the victim would be subject to cross-examination. Under the law as it now stands, judges have ruled in the trial within the trial to see whether those questions can be asked at the main trial. They hold what is called a trial within a trial. Now the defence is taking the position—

Some hon. Members: Order!

Mr. Woolliams: Let me just finish this, Mr. Speaker, please! I have just one more sentence.

Mr. Speaker: I would just like the hon. member to relate all this to a point of order, if he has one.

Mr. Woolliams: It is because I was misrepresented. What I was saying is this: now the law is such that it is working against the victim. My position in this party, as chairman of the justice caucus, is that we want the law reformed to protect the victims of this crime. That is the reason I raise the question. The Minister of Justice tried to twist the handle the other way because of his own errors and his own mistakes.

Some hon. Members: Hear, hear!

* * *

PRIVILEGE

MR. CAFIK—QUESTION ON MULTICULTURALISM

Mr. Speaker: The Minister of State for Multiculturalism is rising on a question of privilege?

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): Yes, Mr. Speaker. Very briefly, my integrity has, I think, been attacked in this House under an erroneous point of order. I would simply say this in response, and I believe I have a right to do so very briefly: in terms of multiculturalism, I will go one better and enshrine it in the Constitution of Canada.

Some hon. Members: Hear, hear!

[*Translation*]

MR. LACHANCE—CLARIFICATION OF CRIMINAL CODE

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of Justice): Mr. Speaker, in reply to the allegations of the hon. member for Calgary North (Mr. Woolliams), I should like to say two things: first of all, on behalf of the Minister of Justice (Mr. Lalonde) I promise he will answer the matter when he comes back to the House, perhaps tomorrow, when he has had a chance to read the blues; second, the Minister of Justice did not underestimate the problem the hon. member brought up in his question; on the contrary, he himself has stated that the government intends to introduce a bill to follow up the report of the Law Reform Commission, and the matter of evidence is now under study. In addition, when he pointed out to the hon. member that the people who were asking for those amendments had attacked the policy of the hon. member, it certainly was after the remarks of the hon. member to the effect that the Minister of Justice did not listen to the groups concerned. So, Mr. Speaker, I simply want to say that the minister can pursue the matter further on that question of privilege if he sees fit to do so.

MISS BÉGIN—MISUNDERSTANDING OF SPEECH ON BILL C-2

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I rise on a question of privilege. I should like to suggest to the hon. member for Athabasca (Mr. Yewchuk) that he correct the statements he made last night during the debate. I checked my speech on Bill C-2 as reported on page 2808 on the French version of *Hansard*. I spoke French at the beginning of my remarks and mentioned that

one of the points under discussion was the fact that the opposition had accused us of not giving enough money to the Medical Research Council.

Twice in his speech the hon. member has called me dishonest. He was speaking English. The second time he said "blatantly dishonest". I then asked him to retract his words. He refused to do so. I personally checked the blues last night and they reflected what I had said, which is the contrary of what the hon. member accused me of having said. Consequently, I want him to retract his words accusing me of being dishonest which are recorded in *Hansard*.

[*English*]

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I, too, have a couple of things to say on this matter. On November 27 the hon. member for Winnipeg North (Mr. Orlikow) accused me of being dishonest. I rose on a point of order at that time, and the Acting Speaker ruled that the matter did not constitute a point of order but simply a point of debate. It was on that precedent that I assumed that the word "dishonest" was parliamentary and acceptable language.

● (1220)

The second point I would like to make is that, according to the rules, this type of matter cannot be raised as a question of privilege but as a point of order. I reviewed the rules last night. I also went to see the blues myself, and I must point out that the minister or a representative from her department did make two changes in the French blues. I examined them personally this morning, and the changes were made.

Miss Bégin: I did not read the blues.

Mr. Yewchuk: I said the minister or her representative. I also want to point out that I have been informed that, at best, simultaneous interpretation is only 70 per cent accurate. Perhaps the simultaneous translation was somewhat different from what the minister intended, because what I heard the translator say in committee was slightly different from what is recorded in English *Hansard*.

In any case, even though there is a precedent for using this language, if it is found to be unparliamentary I have no objection to changing the word "dishonest" to "blatantly confused", if that makes the minister any happier.

Mr. Speaker: The withdrawal of unparliamentary language, as all hon. members know, has been classic in its deviousness over the years. There has been a number of combinations and varieties of withdrawals and retreats from unparliamentary language, and I see no reason why I should not extend that same privilege to the hon. member for Athabasca (Mr. Yewchuk) in this situation. He has indicated that if the words "blatantly dishonest", which he evidently directed toward the minister, are in fact unparliamentary, he wishes them to be withdrawn and endeavours to replace them with other words. That cannot be done, but his withdrawal of words is accepted. They are in fact unparliamentary. He has withdrawn them, and he is attempting to replace them with other words which are not unparliamentary. He is attempting to do precisely the same thing other hon. members have done when compelled to withdraw this kind of language, so I cannot prevent the hon. member from doing so. I am grateful to know that the words declared to be unparliamentary have been withdrawn by the hon. member.

Mr. Yewchuk: Mr. Speaker, I rise on a further point of order. I would like a clarification on the previous ruling to which I made reference, by the Acting Speaker, which is found at page 1526 of *Hansard* for November 27, at which time I requested that the hon. member for Winnipeg North withdraw the same language. It was ruled at that time that the matter was simply a matter of debate.

Mr. Speaker: In the first place, the hon. member is not going to get that kind of ruling out of me now. He was kind enough to withdraw the language that he used, and I am grateful that he did. With respect to individual precedents, if the hon. member examines the precedents with respect to unparliamentary language, he will find that the difficulty the Chair has is that the precedents are replete with expressions of unparliamentary language. It has been found in some circumstances by some speakers in certain contexts that certain language has been unparliamentary, and in other cases precisely the same language has been found by other speakers in other contexts and other circumstances to be parliamentary. Therefore, there is not much assistance in the precedents in this regard, except for one or two very clear expressions. For example, wherever it has been used, the word "liar" has never been deemed to be an acceptable expression to be used by anybody. However, there is a whole series of expressions which in one context have been found to be unparliamentary and in others have not been so found.

There are difficulties in applying these precedents to individual situations. I think the best the Chair can do, where there is any doubt, is generally to try to resolve that doubt in favour of maintaining decorum in the House because usually it is not too difficult for hon. members involved to withdraw certain remarks in the name of parliamentary decorum. As I said, I am delighted that that is the course the hon. member for Athabasca followed this morning.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 408, 468, 542, 592, 671, 781, 852 and 853.

[*Text*]

BANFF CAVE AND BASIN FACILITIES

Question No. 408—**Mr. Schumacher:**

1. Since 1975, by year, did the government, in general and the Department of Indian Affairs and Northern Development, in particular, expend any monies on (a) studies (b) advertising (c) public hearings, in regard to (i) restoration (ii) redevelopment of the Banff Cave and Basin facilities and, if so, in what amount?

2. Were proposals made by persons responsible for restoration and/or redevelopment of such facilities and, if so (a) what were they (b) what is the estimated cost of their implementation?

3. Were (a) petitions (b) group and/or individual briefs (c) general representations received (i) supporting (ii) opposing the proposals of the government and/or the departments in respect of restoration and/or redevelopment of the facilities and, if so, how many and what consideration was given to them?

4. In each case, what are the names of the groups (a) supporting (b) opposing the proposals as outlined by the authorities for restoration and/or redevelopment of the facilities?

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development): 1. (a), (b) and (c) No studies, advertising or public hearings in regard to restoration or redevelopment of the Banff Cave and Basin have been conducted by the government since 1975.

2. Yes (a) a preliminary artist's conception was prepared; (b) no cost estimate was prepared.

3. (a) Yes, (b) No, (c) Yes.

The one petition received made a new proposal. The nine letters received supported the preliminary artist's concept regarding restoration of the structure and made additional proposals. Both the letters and the petition are under consideration at the present time.

4. The group presenting the petition was an ad hoc committee composed primarily of Banff citizens.

SULLIVAN COMMISSION ON NEWFOUNDLAND TRANSPORTATION

Question No. 468—**Mr. Mazankowski:**

To date, what is the total cost of the Sullivan Commission on Newfoundland Transportation?

Hon. Otto E. Lang (Minister of Transport): As of November 7, 1978, the total expenditures for the Sullivan Commission on Newfoundland Transportation were $715,275.05.

DSS—CONTRACT TO W.B. WALKER, OTTAWA

Question No. 542—**Mr. McKinnon:**

Did the Department of Supply and Services award a contract for $25,000 to W.B. Walker, 1869 Beattie Avenue, Ottawa for acquisition, planning and control services for the Canadian patrol frigate programme and, if so, in what way does the contract differ from contracts awarded to Atlantic Information Systems Ltd., 3032 Cowan Crescent, Ottawa for (a) $30,000 in February 1976 to design a standard network format for planning and control of a design and acquisition process for the Armed Forces Maritime (b) $33,499 in February 1977 for derivation of detailed networks for development and control of the 205 class ship replacement programme?

Hon. Pierre De Bané (Minister of Supply and Services): A contract was awarded by the Department of Supply and Services in the amount of $25,000 on July 6, 1978 to Mr. W. B. Walker for professional services to the Canadian Patrol Frigate Program with respect to acquisition management analysis, contractor proposal evaluation, contractor selection, contract documentation and contractor performance measurement systems.

The contracts in 1976 and 1977 to Atlantic Information Systems Ltd. related to network design, network installation and network training in Maritime System Design and Acquisition, and detailed networking for the 205 class ship replacement program, respectively.

The requirements of the Walker and Atlantic contracts bear no relationship to each other inasmuch as the Walker contract does not deal with networking but rather with acquisition planning in a totally new procurement process, whereas the Atlantic contracts deal with the specific technique of networking.

● (0000)

DIAND—NORTHERN FLOOD COMMITTEE—MANITOBA

Question No. 592—**Mr. Holmes:**

1. What was the total amount made available to the Northern Flood Committee of Manitoba and what was the amount in loans and have these been repaid and, if not, on what date will they be repaid?

2. Is the Committee still operational and, if so, what funds has it received directly or indirectly from the Department of Indian Affairs and Northern Development?

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development): 1. Accountable contributions:

1975-76	$ 2,000
1976-77	81,228
1977-78	381,153
1978-79	300
Total:	$ 464,681

Loans	
1974-75	$ 168,200
1975-76	300,000
1976-77	964,282
1977-78	250,000
Total:	$1,682,482

None of the $1,682,482 in loans has been repaid by the northern flood committee. As the negotiated settlement did not provide sufficient cash compensation to the claimants to enable them to repay the loans, the full amount will be forgiven by the government. Treasury Board approval to delete the loan was given on October 18, 1978.

2. The committee is still operational. In addition to the funds provided in part I of the answer, the Department of Indian Affairs and Northern Development contributed $112,-500 in 1978-79 to the five individual Indian bands to help them ensure they receive what they are entitled to under the agreement. It is the department's understanding that some, or all of this, has been turned over to the northern flood committee.

Order Paper Questions

CRTC—HOUSE OF COMMONS PROCEEDINGS

Question No. 671—**Mr. Parker:**

1. Is it the policy of the CRTC that House of Commons proceedings should not be carried on the community channel of cable television companies and is there available time for carrying at least part of the proceedings on virtually all such community channels and, if so, what is the justification for such a policy?

2. What is the justification of such a policy, which restricts access to House proceedings to Canadians who own a converter, when funds to generate the coverage were provided from general tax revenues?

3. Given the audiences attracted subsequent to the establishment of this policy, is it the intention of the Commission to change their policy, allowing the audience potential to increase substantially and, if not, for what reason?

4. Did the CRTC receive any requests from (a) cable television companies (b) private citizens, to provide House of Commons coverage in whole or in part on the community channel, so that a converter would not be required and, if so, how many were received (i) from each province (ii) from the cities of Vancouver, Calgary, Edmonton, Winnipeg, Toronto, Ottawa, Montreal, Halifax, St. John's (iii) on a basis of time or delayed coverage?

5. Did the CRTC receive any indications of interest from any public or private, radio or television broadcaster, in carrying the question period on a regular basis, either delayed or live and (a) if so, what was the Commission's response (b) if not, has the Commission attempted to stimulate any and, if not, for what reason?

6. In requiring purchase of a converter before coverage of the House of Commons may be viewed, is the CRTC moving towards a license fee for television sets?

7. For each major Canadian metropolitan market, what are the viewing audience figures for House of Commons proceedings in terms of (a) absolute numbers (b) percentage of total viewing audience when proceedings are (i) available live (ii) delayed 3 to 6 hours (iii) delayed 6 to 12 hours (iv) delayed over 12 hours (v) available live and delayed (c) percentage of total viewing audience when proceedings are available only on sets equipped with a converter and are (i) available live (ii) delayed 3 to 6 hours (iii) delayed 6 to 12 hours (iv) delayed over 12 hours (v) available live and delayed (d) percentage of total viewing audience when proceedings are available on community channel and are (i) available live (ii) delayed 3 to 6 hours (iii) delayed 6 to 12 hours (iv) delayed over 12 hours (v) available live and delayed?

8. What are the differences in viewing patterns in all the categories listed in Part 7 when (a) only the question period is available (b) full proceedings on a daily basis are available (c) summary packages or excerpts are available, either daily or weekly?

Mr. C. Douglas (Parliamentary Secretary to Minister of Communications): In so far as the Canadian Radio-television and Telecommunications Commission is concerned, the answer to the above question is as follows:

1. It is the present policy of the CRTC to encourage the carriage of the House of Commons proceedings on cable channels other than the community channel. The reason for this is that the commission has for many years adopted a principle of supporting and encouraging community programming, that is to say programming produced in, and for the local community, through setting aside a dedicated cable channel for this purpose.

Over the years there have been many pressures to use this channel for purposes other than community programming, including such matters as educational programming, programming of a general interest nature but not local in origination, and more recently for the carriage of the parliamentary debates.

Although there is unused time on the community channel in many systems, giving over this time to other programming services would have the effect of gradually eroding the special purposes for which the community channel was established, namely to be of direct help to local communities.

It is possible to carry portions of the parliamentary debates which relate to local issues and involve members of parliament from the particular local area in the context of locally produced programs. This would be entirely within the present regulations governing the use of the community channel.

It should be emphasized that the commission is not preventing cable licensees from carrying not only the question period but the full proceedings of the House of Commons on the basic cable service. This would of course mean displacing a United States' channel in most cases, a decision which cable licensees are reluctant to make.

Furthermore, the governor in council could issue directions to the commission requiring the establishment of a special dedicated channel on all cable systems on the basic service for the carriage of the House of Commons proceedings in accordance with section 15 of the Broadcasting Act of 1968.

2. As indicated in the response to question (1), the commission does not have a policy of restricting the House proceedings to Canadians who own a converter. It is simply that cable systems are reluctant to place the proceedings on the basic service and displace United States' signals.

3. The commission considers that the present policy does not by itself restrict the proceedings in any way and sees no reason at this time to change its policy.

4. Yes

a. (i) Nova Scotia	2
Quebec	12
Ontario	1
Manitoba	1
Saskatchewan	2
British Columbia	1
Yukon	1
(ii) Cities of:	
Vancouver	Nil
Calgary	Nil
Edmonton	Nil
Winnipeg	1
Toronto	Nil
Ottawa	Nil
Montreal	3
Halifax	1
St. John's	Nil

(iii) requests made for "delayed coverage"

b. Yes

(i) Nova Scotia	1 individual
British Columbia	

letter from Allan McKinnon, MP Victoria and summary of questionnaire mailed to constituents—results show 72.7 per cent of replies received by Mr. McKinnon requested House of Commons on community channel

letter from Hugh Anderson, MP Comox-Alberni commenting on the carriage of the House of Commons on community channel

individual 1

5. The commission understands that the Ontario educational communications authority broadcasts the question period from 10.30 p.m. to 11.30 p.m. daily on its over-the-air transmitter throughout Ontario. In addition, the CBC, Radio-Canada, Réseau TVA, and CTV broadcast a synopsis of the proceedings once a week.

There is no practical reason why the proceedings could not be carried by off-air broadcasters in any local area. As a principle the commission is in full agreement with the carriage of parliamentary debates by off-air broadcasters. The programming carried by each broadcaster is the responsibility of that broadcaster subject only to applicable regulations and the commission does not act to force broadcasters to carry any particular programming service. Broadcasters are responsive to the interest of their community and would no doubt wish to consider carrying parts of the Commons proceedings if they receive a significant number of requests from their communities.

6. The CRTC is not moving towards a license fee for television sets and in any event it would not have the power to impose such an obligation on the public since it would represent a form of taxation. The commission does not specifically require the purchase of a converter before the House of Commons coverage may be viewed anymore than it requires the public to subscribe to cable television or for that matter purchase a television receiver. This is simply like any other broadcast service where the option to receive it is entirely up to the public.

7. The commission has no way of providing an immediate response to the question and it would require a major survey which would in our estimation take at least six months and be quite costly to undertake.

8. This is really an extension of question 7 and poses the same problems.

SUBSIDIES TO AIR CARRIERS—ATLANTIC PROVINCES

Question No. 781—**Mr. Howie:**

What amount was paid as a subsidy to air carriers operating in the Atlantic Provinces in the fiscal year ended March 31, 1978?

Hon. Otto E. Lang (Minister of Transport): The Canadian Transport Commission reports as follows: Subsidy paid to air carriers operating in the Atlantic Provinces in the fiscal year ended March 31, 1978 amounted to $1.7 million.

Order Paper Questions

LABOUR—PROJECTS IN RICHMOND

Question No. 852—**Mr. Beaudoin:**

1. Since 1968, did the Department of Labour finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. Martin O'Connell (Minister of Labour): 1. No.

2. No.

DSS—PROJECTS IN RICHMOND

Question No. 853—**Mr. Beaudoin:**

1. Since 1968, did the Department of Supply and Services finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. Pierre De Bané (Minister of Supply and Services): 1. No.

2. No.

* * *

[*Translation*]

STARRED QUESTION

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be good enough to call starred question No. 627.

[*English*]

Mr. Speaker, because of the length of the answer to the starred question, I ask the consent of the House to have this printed in *Hansard* as if read.

Some hon. Members: Agreed.

[*Text*]

*MARINE RAILWAY—BIG CHUTE—TRENT-SEVERN WATERWAY

Question No. 627—**Mr. Rynard:**

1. What was the total cost of the installation of the new marine railway at the Big Chute on the Trent-Severn Waterway?

2. (a) How many bids were received (b) who submitted them and, in each case, what was the amount?

3. Who was awarded the contract and what was the amount of the bid submitted?

4. What was the test period on the railway before construction began and what faults, if any, were discovered during the test period?

5. During the 1978 season, how many days was the new railway in operation?

6. What was the total cost, if any, of repairs made to the new railway and how many days was it closed for repairs?

7. During the 1978 season, what was the total number of boats carried over the (a) new railway (b) old railway and, in each case, how many were damaged while in transit?

8. Was consideration given, at any time, for the construction of a lock at the Big Chute and, if so, for what reasons was one not built?

Order Paper Questions

[*English*]

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development): 1. The total cost (to date) of the installation of the new Marine Railway at Big Chute on the Trent-Severn waterway is $2,707,519.41.

2. (a) There were seven bids received, as follows:

(b) 1.	Armbro Materials & Construction Ltd. P.O. Box 1000 Brampton, Ontario	$2,576,620.00
2.	Pitts Engineering Construction (Eastern) Ltd. 30 Commercial Road Toronto, Ontario	2,721,355.00
3.	S. McNally & Sons Limited 1855 Barton Street East Hamilton, Ontario	2,982,901.75
4.	E.S. Fox Limited P.O. Box 10 Welland, Ont.	3,294,757.00
5.	Thomas Fuller Construction Co. (1958) Limited 2700 Queensway Drive Ottawa, Ontario	3,340,406.70
6.	Rideau Valley Contractors Limited P.O. Box 700 Stratford, Ontario	3,346,946.00
7.	Paul Carruthers Construction Ltd. P.O. Box 300 Markham, Ontario	3,558,423.00

3. The low bidder, Armbro Materials & Construction Limited, was awarded the contract at $2,576,620.

4. Tests of the slings were made at the Port Severn Marina during design stages of the project, and improvements effected.

5. The new marine railway was operated July 15, July 17 to 23 and September 30 to October 11—a total of 20 days. Between July 23 and September 26 the new marine railway was available for transporting any boats that could not be transported on the old railway.

6. The new railway was closed four days for replacement of hydraulic valves and testing at a cost of $9,843.19. The contractor is also submitting a claim for time spent in investigating and determining that the hydraulic valves were failing. This claim, in the amount of $12,367.42, is being disputed.

7. Total number of boats carried over (a) new railway—884 (b) old railway—5926 during 1978

There was: (a) one damage claim on new railway and (b) two damage claims on the old railway.

8. Consideration was given to building a lock. Due to costs (estimated cost of lock $7,000,000) and in order to prevent sea lamprey migration, a new railway was favoured over a lock.

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

Some hon. Members: Agreed.

[Mr. Rynard.]

GOVERNMENT ORDERS

[*Translation*]

HEALTH RESOURCES FUND ACT

MEASURE TO AMEND

The House resumed from Thursday, February 1, consideration of the motion of Miss Bégin that Bill C-2, to amend the Health Resources Fund Act, be read the third time and do pass.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, when the House adjourned yesterday evening we were debating Bill C-2, and I had already made some remarks but I had not had the honor nor the advantage of hearing the Minister of National Health and Welfare (Miss Bégin) when she spoke because I was not in the House. Having read her comments, I am going to be briefer, because she answered several of the questions I proposed to deal with this afternoon.

Now I am convinced that before the bill was brought forward the minister asked herself whether the cancellation of the federal contribution to the Health Resources Fund might not reduce the level of health care in Canada. She said the following, and I quote:

> During those discussions it seemed obvious, I believe, that the decision to anticipate the final date for the expiry of that Canadian legislation which was aimed at the construction, acquisition, renovation and purchase of equipment and buildings for the individual training of health personnel will not create serious problems concerning production and health manpower in Canada or the availability of necessary institutions for that purpose.

I am convinced that there were studies on that subject and that the minister decided to recommend to stop the federal contribution from September 9, 1978. Consequently, Mr. Speaker, I am also convinced that the minister will tell us at one point of the report stage what was the level of contributions paid by the federal government under the provisions of chapter H-4, of the legislation, and how much the national treasury could save by dropping this program. I hope she will tell us too whether the measure contemplated by Bill C-2 is a final decision or whether she may at one point come up with another bill to maintain the past levels of the federal contributions.

This puts an end to my remarks on this matter and I do hope that the passing of this bill will not limit the efficiency of our medical services or be an obstacle to the training of the staff to meet the needs of Canadians in health care.

● (1230)

[*English*]

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I want to spend a few moments commenting on Bill C-2 on the health resources fund. I want to congratulate some of last night's speakers, and in particular my colleague, the hon. member for Wetaskiwin (Mr. Schellenberger), who, very ably, spoke on the matters of health problems related to the Indians, the Inuit

and the native communities. I will come back to that subject and refer to it a little later in my comments.

First, I want to make some general comments regarding the health resources fund. I am sure, as all hon. members will know, that when this particular program was instituted in 1966 it was done in conjunction with the imminent introduction of the medicare program, and indeed of the hospital diagnostic programs, and it was done so that we would be sure there would be adequate facilities, adequate personnel and adequate research, all of those parameters that are essential and necessary if we are to provide an adequate health delivery system to all Canadians.

It was of some interest that on November 30 of last year, the Minister of National Health and Welfare (Miss Bégin) made reference to this, and I should like to quote from that particular document. She said the following, at the outset:

> With the impending introduction of a medical care program, and anticipated shortages of health manpower to meet program and population requirements for increased health services, the health resources fund was enacted on July 11, 1966, to run for the period 1966-1980.
>
> The provisions of the act were to offer financial assistance to the provinces and territories in the planning, acquisition, construction, renovation and equipping of health training facilities.

There was a good deal of additional information, but I want to quote from page four of that same document where the minister stated the following:

> In summary, the health resources fund has now achieved its primary objective of assisting the provinces and territories with the provision of the necessary training facilities to satisfy current and future requirements of health manpower in the major health decisions to meet provincial needs.

One of the difficulties with this bill and the implications and conclusions of the bill is that obviously one has to conclude that the minister is implying that all the problems relating to the delivery of health care to Canadians have been resolved. One must come to that inescapable conclusion. As I indicated a moment ago, I want to return in a moment or two to the specific issue of the desperate health problems affecting the native people in Canada, and to review in a general way some of the problems that exist as they relate to our health delivery service in Canada today because, as I indicated, there is an implication in the bill presented by the minister that when she cuts back and then terminates this program on very short notice, all our problems will have been resolved.

Back in 1973 and 1974 I can recall speaking in this chamber, and at subsequent times since then, about the difficulties we have with the health care delivery system in this country. I do not pretend to have adequate time to cover all these aspects, but I thought it might be useful to make reference to some of the deficiencies that exist in our system. I thought that last evening the hon. member for Winnipeg North Centre (Mr. Knowles) would mention some of them. If the minister were truly responsible and had a genuine interest in the health of Canadians, she would have addressed herself to some of these problems rather than terminating a program which, in my view, has been successful in the past.

When I spoke in past instances I tried to look at the health care system from a different perspective. For example, I like to think of the broad category of what I refer to as the organization and management of the health care delivery system. Let me put it in simpler terms, if I can. When I am referring to that particular category, I am talking about all those aspects of our health care system including manpower needs, including the various facilities that are available, whether they are hospitals, nursing homes or paraprofessional individuals, all those areas that are relevant to the delivery of the health care system as it exists in the Canadian context. I think I should point out that this has been the primary preoccupation with respect to health matters across Canada. Certainly this is where the major emphasis and major concern are today.

There is nothing wrong with that approach; it is important and necessary. There may well have to be a different rationalization of that system, but certainly that organization in its broadest context has served us well.

There are many components to this broad category to which I referred. Let me indicate briefly two or three problem areas that are unresolved and to which the minister has not addressed herself. I think they are pertinent in the total context of health delivery when one talks about the cutting back of funds resolving all the problems of the delivery of health care. Of course this is a reflection of the attitude of the minister.

There are one or two very brief examples which I would like to give in the area of health care organization and management. Let us look for a moment at the whole problem of physician manpower requirements. If you look carefully you will find a major problem in the area, and I have not heard the minister address herself to this problem. I can assure you that in my travels across the country, particularly in the northern parts of Canada, the Northwest Territories, the Yukon and the northern part of Manitoba represented by my good colleague, the hon. member for Churchill (Mr. Smith) I found a discrepancy in terms of the services available and the type of professional individuals who are required to provide the quality care which we would hope for and anticipate from a system that is universal in scope which exists in Canada at present.

Another small area is the various small disciplines in the medical profession itself. I am one of those who has been somewhat concerned in recent years about the disproportionate number of individuals who appear in these various disciplines. For example, we know there was a time when a large number of graduates from our medical schools went into what appeared at that time to be some of the more glamorous specialties. There was a period of time when we appeared to have a lack of general and family practitioners and specialists such as ophthalmologists and psychiatrists. We would see individuals bypassing those specialties which are most important to Canadians and becoming involved in what are considered in many instances to be more glamorous types of specialties.

I cannot avoid commenting on the whole area of physician manpower without making a comment on physicians who are emigrating to the United States, a problem about which I am somewhat concerned. Recently I was talking to my son who is

presently doing some postgraduate work in London at the University of Western Ontario. He was telling me about a skit they had put on at one of the med functions. They had a sweat shirt which had on it "Med '78-United States '79". I think that is a particular omen. If one looks carefully at the figures within the last year or two, one will find a very substantial number of Canadian physicians have moved south of the border.

● (1240)

I should like to refer to two colleagues in my own small community whom I know very well. They were born and raised in the area, all their ties were in the area. When they were both at the peak of their careers in family practice, they moved south of the border to Tennessee. The minister should address herself to this question: why are these very important individuals, many of whom were born in and raised families in the Canadian context, moving south of the border?

The minister would find it of some value if she read a recent document produced by four students at the University of Waterloo. As I recall, these students were involved in computer technology, and perhaps mathematics and physics. They undertook the particular project of writing a thesis on the emigration of doctors from the province of Ontario to the United States. I realize the conventional wisdom is that the vast majority are doing so for economic reasons. I suggest the minister, and indeed all members of the House, should read that particular thesis. The reasons are far more extensive than straight financial ones. I have no intention of going into the details, but in many instances the reasons for this emigration have been red tape and fighting with bureaucracy. I am sorry to say also that a number of them virtually have lost faith in the country and do not see a future under the present government.

As I have discussed in the past, there must be some rationalization of the regionalization of health care. I am convinced the minister has not devoted enough time to looking at extended care facilities, home care, nursing homes, and other areas important to the delivery of quality health care across the country.

Briefly, I should like to refer to environmental health matters. I am sure all hon. members are very aware of the so-called conventional environmental health problems, such as the problems of impure air, the quality of drinking water, adequate food processing to ensure the health standards of individuals, and sewage and garbage disposal so that various vectors, insects and animals cannot spread disease. We are all aware of those problems, but it is only the surface of significant environmental health problems across the country. Without going into a lot of detail, I should like to refer to some other examples.

The issue of mercury poisoning was raised in the House of Commons approximately three years ago. The problem of mercury poisoning is a very important one, particularly as it relates to White Dogs, Grassy Narrows and the Cree in northern Quebec. Also there are the problems of PCBs, arsenic poisoning, cadmium poisoning, and lead poisoning. I do not know how many members are aware of the problem with cadmium poisoning, but one governmental departmental official indicated that an Inuit working at Nanasivik Mines in the Northwest Territories had cadmium levels far above those acceptable. I am sure members are aware that cadmium is a very toxic agent. It can be damaging to the liver, the gastrointestinal tract and the nervous system. Also I am sure members are aware of the fact that lead is an environmental problem.

There are many other examples of what I consider to be environmental problems, but if one looks objectively at this area one will find that in most instances the average individual has little control over them. In many instances it is necessary to have government intervention from time to time. We have witnessed such intervention in many instances, yet I am not sure the government accepts or recognizes this very fundamental principle. If one reviews the literature dealing with environmental health problems, one will realize that we have very little knowledge in this area. Of course that implies that more research and development are required.

The minister suggested cutting back health funds, with the implication that there are no problems in the delivery of health care, and virtually ignored the problems of environmental health. Presumably the funds which are being saved could go to far greater use. For example, there is the entire problem of urbanization and the trend toward it in the last 20 years. There are a great number of socioeconomic health problems associated with urbanization, most importantly the noise factor. Indeed the urbanization phenomena have been evident in our native communities, particularly those in the far north which have experienced a sudden inter-relationship of southern Canadians with Inuit or other natives who have not had such exposure in the past. Various health problems exist in that context. In many respects they are environmental health problems, problems which virtually have been ignored by the government.

Another area I should like to deal with is that of human biology. Approximately one week ago I talked extensively about this matter in the House of Commons, particularly in terms of the value of basic medical research. I am sorry the Minister of National Health and Welfare is not in her seat at the moment. Hopefully she recognizes that there is some importance in long-term planning. I feel that she implied it in her announcements in December, but I object to the formula she applied. Without going into the details of the formula, if one analyses it carefully one will find the index used by the minister is tied to various aspects and products in the normal consumer society, items unrelated to those utilized by the science and technology field.

We all recognize inflation in cost has been far greater in that particular field than the other items included in the index which the minister felt were appropriate to use for the formula. In all sincerity I say to the government and the minister that that particular formula should be reassessed. Even though there appears to be an understanding of the importance of long-term commitments, I am sure the minister and the gov-

ernment will find a further and very definite erosion in terms of the moneys required for adequate medical research across the country.

● (1250)

The last item is what I have referred to as lifestyle health. I think this is emerging as one of the significant problems and one that has, unfortunately, received little attention from this government. Let me give two or three examples to try to explain what I mean by lifestyle health. This means all aspects of activities over which individuals can exert decision and control. It has been calculated that if we had the facilities, the scientific know-how today, virtually to eliminate every form of cancer known to us, we would increase the life expectancy of Canadians by two to three years.

Then there is the problem of obesity. It has been calculated that if every Canadian were to reduce their weight to what is normal, their life expectancy would be increased by six to seven years. That is what I mean by lifestyle health. That is a classic example.

I do not want to get into figures but I should like to list some of the problem areas. One figure which has impressed me over the years refers to what I call potential years of life loss. If we assume that all Canadians should live to an average age of 70 and that someone dies at age 30, what we are saying is that that individual lost 40 years of potential life. If we keep that formula in mind then it is very interesting to look at the list of the causes of loss of potential years of life.

I am not going to quote the figures, but I should like to read a list of causes. At the top of the list comes motor vehicle accidents. The potential years of life lost due to this cause are far greater than in any other category. Next comes ischemic heart disease, then other accidents, followed by respiratory disease and lung cancer, then suicide; cancer of the breast, uterus and ovary; cerebral vascular disease; gastro-intestinal cancer; leukemia and cirrhosis of the liver.

I could go on, but I want to consider another document now to point out what I consider as potential preventable causes in terms of potential years of life loss. I think this is significant in that it has been ignored by this government. The list is as follows: Motor accidents, ischemic heart disease, other accidents, respiratory disease and lung cancer, suicide, and cirrhosis of the liver. I simply say that these are potentially preventable diseases that would fit into the category of lifestyle health.

One of the major problems with this bill as I see it is that the minister has not addressed, nor have individuals in this House, the very fundamental issue of the effectiveness of the universal program that was introduced for hospital diagnostic services and for the medicare program.

Recent studies carried out in Nova Scotia, Saskatchewan and Quebec and by the Ontario Economic Council subcommittee on health revealed a number of very interesting facts. I should like to refer to one which substantiates the point that I am trying to make. The studies show that about 65 per cent of the population of Ontario seeks national health care in any one year. Strong evidence is emerging—and this is important—that the 35 per cent not using services represents the poor and impoverished. These were the very groups that precipitated universality and government intervention. The reasons for this pattern do not entirely seem clear but may relate to the sociological variable of how these groups see sickness and the immediate geographical availability of physician manpower.

I think that is an extremely important observation. When the universal health care assistance programs were defined, whether hospital diagnostic services or medicare, we were saying that we wanted a program that would make available to all Canadians, irrespective of background, quality health care. In all sincerity, Mr. Speaker, I say that we have not accomplished that. In the cities of Canada there is still evidence of rickets and other disease. I am convinced that the group of individuals that the universal programs were designed to reach and to assist has not benefited.

That is the significant point, Mr. Speaker. Nowhere is that more obvious then in the Indian and Inuit community of this country. Last night the hon. member for Wetaskiwin referred to this problem in Alberta and gave some very revealing figures which indicated how serious it is.

I have learned that statistics are very boring, Mr. Speaker, but all the same I should like to refer to a document entitled "Mortality among the registered Indian population" by Pauline Jull of the departmental statistics division of the Department of Indian Affairs and Northern Development, which puts into perspective the seriousness of the health problem in the native community. The report concludes as follows:

> In summary, we conclude that our findings show that mortality is indeed higher among the registered Indian population than among the Canadian population. If mortality differentials can be used to reflect and compare the social and economic conditions of various segments of the Canadian population, then the results just presented in this analysis would tend to indicate that the registered Indian population is substantially disadvantaged compared to the Canadian population as a whole. In light of this fact, it would appear that if the mortality of our native peoples is to be reduced, not only will better access to health facilities have to be provided but significant improvement in their standard of living will have to occur as well.

If I had the time, Mr. Speaker, I should like to point out some inconsistencies which occur between the Department of National Health and Welfare, the Department of Indian Affairs and Northern Development and the Department of Fisheries and the Environment. It is like musical chairs, Mr. Speaker. There is no corollation, and this was demonstrated in the debate on mercury poisoning which took place on an opposition day.

I should like to give a couple of examples of this mortality because I think it is important that hon. members understand its significance. Six categories of causes of death are listed in this report. The first is infective and parasitic diseases. The age-standardized death rate for the Indian population is 26.77 while the rate for the rest of the Canadian population is 4.98. In endocrine, nutritional and metabolic diseases—and the hon. member for Athabasca referred to the problems of diabetics in the Indian population—49.2—

The Acting Speaker (Mr. Turner): Order, please. It being one o'clock I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, this legislation amending the Health Resources Fund Act was debated at some length on second reading and was given a very thorough examination, as I understand it, before the standing committee. It would, therefore, seem that there is little value in extended debate on third reading, because it is perfectly clear that the government intends to use its very large majority to push this legislation through parliament.

I venture to participate in the debate, however, not only because of the impact of the legislation itself, but because of the attitude of mind which it reveals, the emphasis which it gives to certain aspects of our national life, and the disjointed scale of social values which I believe are displayed in the legislation.

● (1410)

We should understand that this legislation comes before the House largely as a result of the announcement which was made by the Prime Minister (Mr. Trudeau) on national television on August 1. Prior to this the Prime Minister had attended an economic conference; he had sailed on the Baltic with Chancellor Schmidt of West Germany, he had had a holiday in Morocco, and then returned to Canada to effect a complete reversal of the government's fiscal policies. Up until that time he, and particularly the Minister of Finance (Mr. Chrétien), had been telling the Canadian people that what was needed was an increase in the effective economic demand. Therefore the Canadian people should save less and spend more. But on August 1 the Prime Minister announced to the Canadian people that the government would embark on a program of restraint.

His first statement was to the effect that they would cut $1 billion from the estimates. Later this figure was raised to $2 billion which it was hoped would be passed by the Parliament of Canada. It is significant to note that the cabinet was called together ten days later to hear what the cuts in the estimates were going to be. This makes me wonder what has happened to cabinet responsibility and solidarity.

One of the long-standing traditions of the parliamentary tradition has been that the Prime Minister is *primus inter pares*, first among equals, that the decisions that are made are not those of the Prime Minister but of the cabinet, and the cabinet must collectively accept responsibility for those decisions after due process of consultation and discussion. Not so in the matter of restraint! The Prime Minister made the announcement as if he were a president of a country with a presidential system. He then called his cabinet ministers together who were merely to hear what decisions had been reached by the Prime Minister himself.

In my opinion, that is a very serious indictment of the regard which the government has shown for the parliamentary system. There has been growing concern in this country that we are moving step by step toward some type of presidential system. If ever this was demonstrated, it was on August 1 when the Prime Minister reversed the fiscal policy without even the Minister of Finance or his other ministers having been consulted or made aware of the decision which had been reached by the Prime Minister.

I would suggest that the legislation now before us dealing with the health resources fund has three major defects, and I will deal with them individually.

First, let me point out what this legislation does. This legislation seeks to end the health resources fund which was set up in 1966. It has two years to run and in which there is over $80 million yet to be paid out to the provinces to provide certain essential medical and diagnostic facilities. This was a commitment made in 1966 by the Government of Canada to the provinces of this country as an inducement to sit down with the federal government and work out a medicare program. The provinces came in, some reluctantly, not because they were unwilling to deal with the health problems of the nation but because some of these provinces had very limited financial resources. They knew that the moment they had a medicare program, their research, medical and hospital facilities would not be able to cope with the magnitude of the demand for medical and diagnostic services. Their concern was allayed by the fact that the federal government said that they had no need to worry about that problem.

The federal government said that they were setting up a $500 million fund which would be paid out on the basis of need and as provinces proceeded to improve their health care facilities. The provinces came in on that understanding. This was a contract. This was an obligation entered into by the federal government in return for the provincial governments agreeing to enter into a program which they knew would be extremely expensive and represent a great drain on their financial resources. Now, without any warning and without any consultation, the federal government announces in this legislation that the health resources fund is to be closed, that no more money will be paid out after any commitments made have been dealt with, and that same fund with some $80 million in it, which really belongs to the provincial governments, will be closed. The Minister of National Health and Welfare (Miss Bégin) put this matter very clearly at page 1520 of *Hansard* for November 27, 1978, when she said:

> Why put an end to a good fund two years before its natural end?

The minister answered her question by saying:

> The Government of Canada has a difficult decision to make in applying a major, traumatic restraint on its own expenditures.

It not only had a difficult decision to make but it had to decide whether or not it would break faith with the provincial governments on whose behalf this fund was established. It had

to decide whether it was more important to cut some other items in its budget, to clean out some of the waste and extravagance demonstrated amply in the Auditor General's report year after year, or whether instead this fund would be completely eliminated. The provinces would then be left holding the baby, with all the responsibility of carrying on their share of a medicare program but without the financial support which had been promised to them.

My second criticism of this legislation is that it assumes the purposes and the objectives of the health care programs have been attained. Of course, they have not. The hon. member for Lambton-Kent (Mr. Holmes) said earlier in this debate that the goals for universal health care have not been realized. That statement is true. It is true because we have only covered part of the program to provide the Canadian people with universal health care.

● (1420)

Let me just briefly give an historical summary of the health care program in this country as it applies over the past 30-odd years. As hon. members know, the first hospital insurance and diagnostic services legislation in Canada was passed in the province of Saskatchewan in 1946 and came into effect on January 1, 1947. It was financed entirely from provincial revenues, despite the fact that in 1945 we had been assured at a federal-provincial conference that the federal government was going to come into the program and share the cost on a 50-50 basis.

That hospital insurance and diagnostic services program was financed entirely by the provincial government of Saskatchewan until 1958. During the course of second reading, some members opposite said that hospital insurance in Canada as a whole was introduced by a Liberal government under Prime Minister St. Laurent. Of course that is not correct. I do not attempt to ascribe any suggestion of misleading when I say that. I think these people are just not familiar with the facts.

It is true that in 1956 the Hon. Paul Martin, then minister of health, introduced legislation to provide hospital insurance shared 50-50 between the Government of Canada and the provincial governments. However, it had in it a proviso which said that the federal government would only pay 50 per cent of the cost if a majority of the provinces representing a majority of the population of Canada agreed to enter the program. That was a fairly safe promise to make because everyone knew at that time that the government of Mr. Duplessis of Quebec and the government of Mr. Drew in Ontario had both stated categorically that they would not support a hospital plan. The only two provinces which had hospital insurance plans were Saskatchewan and British Columbia.

It should be to the everlasting credit of the right hon. member for Prince Albert (Mr. Diefenbaker), and I do not think sufficient credit has been given, that when he took office in 1957 he kept the commitment he had made to the public in the general election of that year to remove that proviso. The result was that in 1958 hospital insurance and diagnostic services became available to any province which wanted to enter into the plan and pay 50 per cent of the costs and accept the other 50 per cent from the Government of Canada. Of course both Saskatchewan and British Columbia immediately became eligible, and the other provinces one by one fell into place.

That only covers hospital insurance. When we come to medical care, the Saskatchewan government introduced medical care legislation in the fall of 1961. As a matter of fact the last piece of legislation which I introduced as premier of that province was the medicare legislation. It came into effect on July 1, 1962. That too was financed entirely by the provincial government out of its own limited resources.

In 1964 the royal commission which had been set up by the right hon. member for Prince Albert, headed by Mr. Justice Emmet Hall, made its report. In my opinion, that was the finest report on comprehensive health insurance that has ever been printed in the English language.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): It is to the everlasting credit of the Right Hon. L. B. Pearson that his government brought down legislation in 1967 to implement a national medicare program shared by the federal and provincial governments. It came into effect on July 1, 1968.

I enumerate this because those of us interested in this field and those who pioneered this field, and I am not talking so much about politicians but doctors, hospital administrators and sociologists interested in the wider scope of the health program, all reminded the public from time to time that comprehensive medical care would come in two phases.

Phase one was the task of removing the financial barrier between those who render health services and those who receive health services. That is an important phase. As long as that barrier was there, there were people who could not get health services. No matter how deserving or how desperate their circumstances, they could not get those services. Therefore health service had a price tag. It was important to remove that barrier.

At the same time it was pointed out to the people of Canada that removing the financial barrier was only a part of the program. The much more difficult part of a health care program was to reorganize and change the entire delivery system. It had to move from a program which emphasized curative medicine over to a system which emphasized preventive medicine, recognizing that the most important thing is to keep people well rather than merely patching them up after they have become desperately ill.

The hon. member for Lambton-Kent made an excellent summary of what is entailed in that regard, such as periodic check-ups for health care, watching people's weight, X-rays, blood tests, urinalysis, checking heart conditions. He also referred to prescribing a proper diet, taking proper preventive measures and sometimes preventive surgery, saving people pain and suffering later on and also saving great amounts of money.

I am always rather surprised when I come across instances where governments say that medicare and hospital insurance are costing a lot of money and they have to cut back the costs. That is done by imposing deterrent fees. The answer does not lie in putting on deterrent fees which are simply a tax upon the sick. The answer lies in more preventive medicine so that fewer people are ill and need care, what the hon. member for Lambton-Kent called lifestyle therapy, helping people to eat the proper foods in the proper amounts to take care of their health. He referred to the opportunity to come before medical clinics every 12 months, with children and old people more frequently, to help people maintain a high standard of good health.

What worries me about this legislation is that there is no recognition of the fact that we have not even completed phase one. When the medicare legislation was before the House in 1967, sponsored by the present President of the Privy Council (Mr. MacEachen), who was then minister of health, we in the New Democratic Party argued for an amendment which would give the cabinet the power at any time to add additional services to the medicare and diagnostic services now provided. That was accepted by the minister of health of that day. However, we have added no services.

We have not done anything about free prescription drugs, particularly for people suffering from such prolonged diseases as diabetes, or other conditions requiring expensive drugs. We have done nothing at all about hearing aids or glasses for people who are not able to supply themselves with those aids. We have done nothing about prosthetic appliances, crutches, wheel chairs, all those things which are part of the very comprehensive health programs of some other countries.

● (1430)

We have not moved at all since 1967 in extending the field of health care. We have not moved at all into phase two, or, at least, we have moved very little—I believe three provinces have set up community health clinics as pilot projects; they are doing very well and demonstrating that programs of preventive medicine can have a profound effect not only in improving the health of communities but in lowering the cost of hospital and medical care.

Instead of reducing the amount of money we are making available to the provinces, we should be saying to the provinces, "We will give you very large sums of money to help set up community health clinics." Or, if the communities are not responsive, we should make money available on a loan or grant basis to groups of doctors willing to operate these clinics. The idea of a doctor going out by himself with a little black bag is as out of date as the concept of an auto mechanic going out to mend cars carrying a little box of tools. The clinic is the place where proper treatment can be prescribed and proper services rendered.

We have not been doing these things. We have done a great deal in this country, and I think Canada can be proud of what it has done in the field of hospital care and medicare. It is true, of course, that we have not advanced as far as some countries in Europe where they have been implementing such programs for decades, but when one considers that the United States, with all its wealth and power, does not have a plan at all, the Canadian people can be congratulated and, indeed, successive Canadian governments can be congratulated for having gone forward, though reluctantly at times, as far as they have. But it is dangerous to assume that the job is finished. We have made a very good beginning, and that is all.

Instead of cancelling the health resources fund and saying "That is all over with", we should recognize there is a tremendous task still awaiting us if we are to give to the people the health services they need and to which they are entitled in a country with the resources we have and with the billions we spend on less important things. Rather than reducing the amount of money set aside for health care we should be increasing it so as to provide the kind of preventive care which would enable our children and their children to live healthier and more productive lives.

My third criticism of this legislation is that it shows a deplorable standard of priorities. The minister of health said the government has been obliged to "apply a major traumatic restraint" to these expenditures, to use her words. I do not quarrel with that. When I think of the various reports of the Auditor General, of the ports we have built and into which we have never put a ship, of the buildings we have put up or leased which have never been used; of the millions of cubic feet of office space we have acquired and which have not been occupied. Of course there is a lot of waste and extravagance which needs to be cut down. But if there had to be reductions, why choose such an important field as that of health services? Consider what the government can find money for. Yesterday the President of the Board of Economic Development Ministers (Mr. Andras) announced that the government intends to hand out $235 million to the pulp and paper industry which, over the past year, has shown an increase in profits of 150 per cent. Their profits have gone up from $160 million to $379 million in a 12-month period. We have several pulp and paper mills in my constituency. It is a very important industry. Of course, British Columbia will not get very much of this money; most of it will go to central Canada where there are a lot of obsolete mills. Our share will be very small.

But I want to point out how almost obscene it is that the government should be giving $235 million to an industry making more profit than at any time in its history, while at the same time saying it wants to take $80 million from the provincial governments which in 1966 it promised to pay to them if they went into medicare. Surely this is an indication of a distorted sense of values. After all, the measure of a government's worth is not measured just by the gross national product, or by the balance of payments, or by the amount of the gold reserve.

Surely the worth of a government in the main is to be judged by what it does for the people, the extent to which it improves the quality of their lives, improves their health care, gives them a greater measure of security and a higher standard of moral values. That is what makes a nation great. But

instead of recognizing this to be the case, ministers opposite come before the House and ask us to vote to cancel a health resources fund designed to provide facilities to improve the health of the Canadian people. At the same time, as I have pointed out, they propose to hand out $235 million to an industry which has money running out of its ears. As far as I am concerned, and as far as the New Democratic Party is concerned, we shall not agree to this legislation and what it represents.

Some hon. Members: Hear, hear!

Mr. Bruce Halliday (Oxford): Mr. Speaker, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) gives a very learned discourse on any subject before the House and is a person to whom we all listen. It was interesting that he should have referred to two phases in the health care system. What he says is, indeed, true. But he forgot to mention the third phase, one which we have not seen so far in Canada but which is presently unfolding in the United Kingdom under the National Health Service. I submit that the third phase is the phase in which one begins to see the breakdown of a health service which is completely under government control.

● (1440)

In the United Kingdom companies wanting to provide adequate health insurance for their employees so that they can receive adequate care so that they can return to work as quickly as possible, now have to get supplementary insurance from private insurers outside the National Health Service. I submit that that third phase will come to Canada unless governments realize that they cannot afford to interfere in the control of health care provisions to the extent they have been. This may be difficult for the hon. member for Nanaimo-Cowichan-The Islands and some of his colleagues to accept, but if they look at what is happening in Great Britain they will see that that third phase is definitely unfolding there.

Last night a bit of an altercation took place between the minister and the spokesman for my party, the hon. member for Athabasca (Mr. Yewchuk). The hon. member quoted at some length and made references to a recent clipping from the Toronto *Star* which was anything but complimentary to the minister. I was surprised that the only person to come to the rescue of the minister was a member of the New Democratic Party, the hon. member for Winnipeg North Centre (Mr. Knowles).

We still have not heard from anybody on the government side with regard to this bill. No government member has had the courage to come to the defence of the minister. We are debating this same bill again this afternoon. The Minister of National Health and Welfare (Miss Bégin) is not in the House, and neither is her parliamentary secretary. We are still waiting to hear from even one member on the government side regarding Bill C-2.

The hon. member for Nanaimo-Cowichan-The Islands said that this bill was fully discussed at second reading and also in committee, but it is obvious that the minister has not learned very much.

Mr. Kaplan: Mr. Speaker, I rise on a question of privilege. The hon. member refers to government members and indicates that somehow it is reprehensible that they have not stood up to defend the minister with regard to this bill. The hon. member knows perfectly well that the reason hon. members on this side are refraining from standing up and defending the minister and the bill is that we would like to see the bill passed.

Mr. Halliday: Mr. Speaker, I doubt if that is a question of privilege, but I appreciate the hon. member's rising at least to show some evidence that there is support for the minister.

Mr. Munro (Esquimalt-Saanich): And he gets his name in *Hansard*.

Mr. Halliday: Mr. Speaker, there are several philosophies which should be discussed with reference to this bill. We raised these philosophies in committee, and the minister certainly gave us a good hearing and made some interesting comments. I think it is very important that legislators take some cognizance of where we place our priorities in the expenditure of public funds in the health care system. I think we must consider two aspects of funding. We can spend public funds on behalf of individual citizens who need certain health services, and the question is whether the government has a right and a moral responsibility to exact taxes from those people in order to give it back to them in the form of the medical health services they receive.

Another area in the health care system which is very vital and which this government ignores is the area of research. This applies right across the whole scientific community. Individuals citizens have difficulty allocating funds personally to provide for adequate research, and if anybody in society should be responsible for such allocation it should be the federal and provincial governments. If we are coming to a time in our economic history when we are under some pressure, the priority should not be expenditures on behalf of individuals for health care but expenditures on aspects which we as individuals cannot support ourselves. I am referring, of course, to research which requires government action in order to achieve progress.

When I raised this with the minister in the committee, I was pleased with her response. As recorded in Issue No. 7 of the Standing Committee on Health, Welfare and Social Affairs, at page 10, the minister said:

> Usually, I would agree with Mr. Halliday's outlook. I think I would favour programs that equip people with facilities, buildings—all these things that permit people to meet and to do their thing.

The minister agreed with me that a high priority for governments should be to do those things for people which the people cannot do for themselves. I was pleased about that.

I believe it was back in 1966 that the government agreed to provide $500 million for the extension and enhancement of training facilities, for health care personnel and for certain aspects of research. Now we come to this year, and we find

that the minister's priorities are different. Although theoretically she agrees with my philosophy that we have to support people in research when they have trouble financing their work, she now turns around and changes her story. I find that very disappointing indeed.

As we look further at the minister's assessment of the situation today, we find that she is cutting back on the funds which her predecessors a number of years ago agreed to provide. We find that she is not making any provision for continuing and upgrading health care facilities. As reported at page 2808 of *Hansard* for last night, the minister said, and I quote:

As for professional and quasi-professional health groups—

This is the part I want to emphasize.

—we now have in Canada a satisfactory level of personnel with adequate training.

I do not need to tell the physicians who are in the House that adequate training is not a lifetime acquisition. It is said that the half-life of a physician's knowledge is five to seven years, and I remind the minister that she should be making provisions for continuing training and the provision of facilities so that this half-life can be extended beyond five to seven years. If physicians do not receive that kind of support, they will be in more difficulty as time goes on, and we are already beginning to see some signs of that.

In this same vein, when the minister was talking to us last night, she had this to say as reported at page 2811 of *Hansard*:

There will be a need, to a much lesser degree, to maintain and upgrade existing schools and related facilities which in most instances are new or renovated structures.

Again I say that the minister does not seem to realize that it is necessary to keep spending money on the good facilities we already have if we are to maintain them properly.

Last night the minister criticized us for spending so much time discussing medical research. It is paradoxical that she should accuse members of the opposition in that way, and then devote most of her speech to discussing medical research. The minister raved about the contributions her government has been making to medical research over the last few years. The minister would lead the public to believe that the government has made an adequate contribution to the research community. I could quote a number of her comments which would lead people to believe that the government has done a really great job.

It is very interesting that before I heard the minister speak last night, and before she had the nerve to say that the research community is very happy with all the money which is being granted to the Medical Research Council and so forth, yesterday afternoon, I received a letter dated January 29, just Monday of this week, from the executive secretary of the science policy committee of the Canadian Federation of Biological Societies. This federation is a very learned body. Its members are very knowledgeable about research. It is too bad the minister did not consult this group before making comments about the adequacy of her support for research. This letter was not solicited by me. As far as I know I have never been in touch with Dr. John Kucharczyk, who sent this letter to me.

● (1450)

I will not read the entire letter because of its length, but he points out some of the flaws in the minister's argument and the mechanisms upon which the minister based the funding proposals for the Medical Research Council and medical research in general. The plans over a five-year period are that funding for medical research will be based upon the implicit price index of the gross national expenditure. In short terms, it is condensed to IPI-GNE. In coming to a formula, that is modified by the CPI and the GNP minus 1 per cent. It is a rather complicated formula, but the interesting thing is the net effect of it upon medical research. Dr. Kucharczyk obviously is a researcher who is quite capable of bringing out the inherent fallacies in the program for medical research laid down by the minister. At page two of his letter dated January 29, 1979, Dr. Kucharczyk said the following:

Table 1 shows that from 1969-70 to 1978-79 the IPI-GNE underestimated scientific inflation—measured by the Science Expenditures Price Index or SEPI—by a total of 34.2 index points or $16.2 million.

In a budget of approximately $62 million to $63 million annually, I suggest that is a significant underestimate on behalf of medical research.

He continued as follows:

Yet it is precisely this index, the IPI-GNE, that the government intends to use on its new five-year funding formula for MRC announced by Mme Bégin on December 1.

Obviously it is disappointing to the medical community, particularly the biological research community, to see the minister, who probably did not have adequate research staff, develop an incomplete and inadequate formula. In order to summarize the feelings of the Canadian Federation of Biological Societies concerning the minister's plans for the future, the closing paragraph of the doctor's letter reads as follows:

In short, our calculations do not support the minister's conclusion that the five-year plan is "A major step . . . toward the achievement of greater stability in the federal government's support for biomedical research". The proposed formula neither reflects the true level of scientific inflation nor will it allow health research activities in Canada to expand at a rate commensurate with the growth rate of the economy as a whole.

That is a rather terrible indictment of the minister's plans for medical research. There are more data and several more tables containing information which was gathered by Statistics Canada and the Department of Finance. The figures were developed on behalf of the then minister of science and technology. This information is available if the Minister of National Health and Welfare wants to look at it. I hope the minister will revise her formula to support medical research in a manner satisfactory to the Canadian research community.

Another area I should like to touch on deals with the manner in which the minister brought forth the changes in Bill C-2. As the hon. member for Nanaimo-Cowichan-The Islands mentioned today, and as the hon. member for Athabasca mentioned last night, the minister made no effort to consult

the provinces prior to the institution of this drastic $84 million cut. Often we have seen this type of action occur, particularly respecting the social service programs of the government. If the government wants to be re-elected, it promises Canadians something they want very much—extra money in their pockets. This could be accomplished by promising increased benefits in health care, unemployment insurance or other programs. Usually a government is re-elected if it makes promises to the people.

In this particular instance, the government involved the provinces but gave them no choice. They were forced to agree with the plan, and the government went along with it for a given number of years. A couple of years before the plan was completed the government decided to cut off the provinces, medical research and medical schools across the country. Canadians are becoming wise to this type of action. If the government attempts to bribe people because of the upcoming election, this time I do not think it will be successful.

I should like to refer to what the minister gave as reasons for the cut. Earlier this week the minister was confused when she attempted to answer my question regarding the distribution and submission of T4A tax forms for old age pensions. I am glad the Minister of National Revenue (Mr. Abbott) is in the House today, as he is very involved in this matter. He was conned by the Minister of National Health and Welfare into allowing changes to his original plans. This is very upsetting to the old age pensioners, but it is inappropriate to discuss it at this time. I wanted only to acknowledge the presence of the Minister of National Revenue. He can be assured we will discuss this matter in the very near future. Members of my party have received letters from old age pensioners all across Canada who were very upset by what the government did with the refunds they should be receiving.

The Minister of National Health and Welfare appeared before the Standing Committee on Health, Welfare and Social Affairs in order to explain the reasons for Bill C-2. I should like to quote from her four-page introductory comment dated November 30, 1978. The minister made her introductory comments before the committee on December 7, 1978. She said the following:

> In summary, the health resources fund has now achieved its primary objective of assisting the provinces and territories with the provision of the necessary training facilities to satisfy current and future requirements of health manpower in the major health disciplines to meet provincial needs.

If one attempts to interpret that statement, the reason for the $84 million cut was that in the minister's opinion we had achieved the main or primary objective of the total fund, and that our needs as far as training facilities were concerned had been satisfied. I suppose those are nice reasons for stopping, but I should like to refer to what the minister said in the House of Commons on November 27, 1978, when she introduced the bill. At that time she was attempting to justify the introduction of Bill C-2, and there was no mention of objectives having been achieved. As reported at pages 1519 and 1520 of *Hansard*, the minister said:

> —despite the reduction due to the fiscal constraints which we think are essential to put the Canadian economy back to full productivity.

The minister suggested that the real reason for the introduction of the bill was not because the objectives in health care had been achieved, but because of financial restraints. As reported at pages 1520 and 1521 of *Hansard*, the minister said:

> Regretfully it is to be terminated now because of the difficult conditions in the country.

I cannot put it nearly as well as the hon. member for Nanaimo-Cowichan-The Islands, but obviously it was not a cabinet decision; it was the decision of our president or emperor, as he is sometimes referred to. Suddenly we required cuts in our national expenditures, and the Minister of National Health and Welfare was told to make these cuts. The minister used the economy as the reason for depriving our health institutions of $84 million. I do not know how the minister can explain this contradiction. Of course, we are becoming accustomed to contradictions; the list is as long as my arm; nothing is new.

● (1500)

When one considers the problems associated with research, I think one has to mention also that the minister has failed to recognize that we must have long-range planning in the research community. I give her credit for recognizing this to the extent that the Medical Research Council will now be able to move ahead five years in its planning, but by promising $500 million a number of years ago and taking it away before that fund has reached its maturity, she is denying that planning function to our medical schools and to the research community, and she is taking away any opportunity they had to plan ahead.

I do not want to pursue this subject much longer, but there are two things I should like to speak to very briefly, and one is medical manpower. I raise this issue purely because the minister chose to raise it in her speech last night. We discussed this matter in committee when we considered Bill C-2 there. I asked the minister whether she had any true understanding of what the actual manpower status is in Canada. She had one of her experts from the department with her in the committee that day to whom she referred the question, namely Dr. Law. The interesting thing is that the department has ideas about the physician population ratio and we were quoted a bunch of figures by the minister last night, but if you ask the minister simply how many practising physicians we have in Canada, she cannot tell us. That is how absurd and how inadequate research is in this country in relation to medical manpower; she cannot tell us how many practising specialists or practising family physicians there are in Canada.

An hon. Member: How many are there?

Mr. Halliday: That is the kind of research job the Department of National Health and Welfare should be doing, but they refuse to do it, they refuse to accept that responsibility. They come out with glib figures which look good in the papers and which make it appear as though we had many practising physicians here, but included in those figures are people like

the nine of us here in the House of Commons, most of whom are not practising medicine at all, or to a limited extent. All across the country, with increasing bureaucracy, we have more and more professionals working outside the area of delivery of health care, working in some type of administrative capacity with health insurance companies or in various government bureaucracies, yet the minister says that because they are licensed physicians they should be included in the physician population ratio. I have been bugging the minister, as I have her predecessor, to give us some accurate figures, but they cannot do it even after my two or three years of pleading.

I have one final comment that I am prompted to make about one of the remarks of, once again, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) when he spoke about the need for preventive health care. I do not have to be convinced about the need for preventive health care: I am convinced about the inadequacy of governmental efforts to promote preventive medicine, there is no doubt about that. If we have a change of government before too long, we will probably be able to institute some type of incentives in this country which will encourage people to live a lifestyle that will be more conducive to the development of good health. But certainly I want to raise an issue which is a corollary to this very comment regarding preventive medicine that I think needs to be raised here. Not only does it relate to the obligations and responsibilities of the Minister of National Health and Welfare but, I suggest, it relates to the obligations of her sidekick, the Minister of State for Fitness and Amateur Sport (Mrs. Campagnolo). She has seen fit to cut down the budget of her department by some $5 million to $6 million this year. I was disappointed to hear today, for instance, her announcement of a gift or a grant or some such thing of about $5 million to three cities in Canada for the promotion of professional sport to NHL level. I am a follower of professional sport in Canada. As a matter of fact, I hope to see the Toronto Maple Leafs and Montreal Canadiens play tomorrow night. I have a lot of respect for our professional teams in Canada. There is a real need for them and I think they serve a real purpose. But when I look at the title of the Minister of State for Fitness and Amateur Sport, I see in it very little about professional sport. I wonder where she found that $15 million to hand out to the three cities, much as I think they might deserve to have better arenas, and I am sure that to some extent the money will be used by amateur sport as well. The point I want to make is that if she has that kind of money for professional sport, which is by and large self-supporting in Canada, I wonder why she cannot find some money for fitness, recreation and amateur sport which has a real bearing on the health of Canadians. If we want to talk about the need for preventive medicine here, we should take a serious look at the amount of money that is being spent in this country on amateur sport and on fitness and at the same time be mindful of the fact that the federal government spends about $400 per person per year on health care. At this year's rate we spend about $1.25 per person per year on fitness and amateur sport, most of which does not sink down to the level of the community at which we can do something for the general health of people in Canada by providing them with an opportunity to become more involved in various types of fitness activities and of amateur sport.

I suggest that if we are going to look at the need for cutting back on $84 million in our health resources fund, the minister might well have used that money in another way. If she thinks we have reached the ultimate in our medical plant facilities, in our institutions and in our research, she might well have considered handing over some of that money to her colleague, the Minister of State for Fitness and Amateur Sport, who, I am sure, could have found a way to improve amateur sport with that money and to upgrade the fitness level across the country, thereby doing something worth while for Canadians.

I think, Mr. Speaker, you would understand, after having heard the comments of various members of the opposition—unfortunately we have heard nothing from the government side—our reluctance to support the minister in this third reading debate on Bill C-2.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, it is an honour for me to participate in this debate together with the hon. member for Oxford (Mr. Halliday), who has just spoken, and who was preceded by the hon. member for Athabasca (Mr. Yewchuk) who led off the debate for us. I understand I will be followed by the hon. member for Pembina (Mr. Elzinga) who I know will make a contribution to this debate. Moreover, it is a great honour for me to participate in this debate with the hon. member for Nanaimo-Cowichan-The Island (Mr. Douglas) and to be in the House with him during this debate, knowing of his great contribution and pioneering effort in this whole area in the province of Saskatchewan, although he would be the first one to admit that some details of it might not have been to his liking. But in general, members on both sides of the House recognize the great contribution he has made in health care in Saskatchewan and also the contribution he made to the debate this afternoon.

It is absolutely incredible to me that in a debate as important as this one on health resources not one member on the government side has addressed himself to this problem today.

We know where their priorities are today. I have known for years where the Liberal priorities have been because they abandoned true Liberal principles years ago. It is no surprise to me that during the so-called restraint period—and previous speakers have already alluded to this—in a week when the federal government can find millions and millions of dollars to aid the paper industry in this country, an industry which has shown fantastic profits, the government is cutting the health resources fund. What in the name of God are they doing? They are curtailing the health resources fund in the same week they found millions of dollars for the paper industry which is making millions of dollars in profit. Where in the name of God are the old Liberal priorities? I will speak to that point later.

There is a lot of yelling across the way, Mr. Speaker. If hon. members opposite have prepared speeches they should get up and deliver them, but I do not suppose they have. No member

of the government will speak in the debate this afternoon because they cannot defend the indefensible—either that or they have been muzzled.

● (1510)

A few months ago budgetary cuts were announced, Mr. Speaker. The only reason for them was that this government has so mismanaged the economy that they have given this country the worst economic management since confederation. Who has suffered because of this? With the hon. member for St. John's East (Mr. McGrath), the hon. member for Athabasca, and other members of this party's social policy committee, I knew many months ago on whose back the government's restraint program would be carried. Indeed we have proof positive of it. The low income Canadian will carry the load. The first cut was in the wheat subsidy, which of course affected the price of bread and we know how important that is to people on low incomes. Next came the powdered milk subsidy, then family allowances and significant aspects of low income housing. Now, believe it or not, the health resources fund is the victim.

I have to repeat myself, Mr. Speaker, in saying that they are doing this in the same week that they seem to be able to find millions of dollars for business. Is this the Liberal policy of Mackenzie King; of Lester Pearson?

Mr. Parent: Of Pierre Trudeau.

Mr. Grafftey: Of Pierre Trudeau? Is this the just society?

Mr. Parent: I knew I would hit a nerve somewhere.

Mr. Grafftey: The hon. member has hit a nerve. Does the just society fight inflation on the backs of the poor and nobody else?

I am not a socialist, Mr. Speaker but I agree with many of my friends in the New Democratic Party. If there is one thing that governments must do it is care for people who are sometimes getting shafted. Why cannot this government bring in a restraint program that is more imaginative than one that is waged on the backs of those who cannot defend themselves.

The hon. member for Oxford who has just spoken and was so articulate said time and time again in committee that the minister claimed this health resources fund was being terminated because it had already fulfilled its usefulness. As he so ably put it, the minister subsequently said she really had to do that because of budgetary restraints imposed from on high. I happen to know that this fund was cut without her knowledge. That is why she is not here today to defend this bill. It was cut by Treasury Board and the Department of Finance, and the minister went right through the roof. Had it been cut with her knowledge and consent she would be here to defend herself today and would have her minions here to defend her, but she as been muzzled.

The minister said she had consulted the provinces, Mr. Speaker, and that they were quite happy—that the fund had fulfilled its usefulness. However, I made a long distance telephone call to each of the ten provinces to find out the facts. This fund was cut without consent from the provinces. Not one provincial minister of health said that the fund had fulfilled its usefulness. I wonder if the minister could come into this House this afternoon or next week and name one provincial minister who told her or her officials that the fund had fulfilled its usefulness.

There is only one reason for the fund being cut, Mr. Speaker. This government has so mismanaged the economy it has had to make cuts in many fields. The cut in the social field falls on the backs of those Canadians who cannot defend themselves.

I should like to return to the very able speech made by the hon. member for Nanaimo-Cowichan-The Islands who has done so much in this field. Let me draw an analogy.

Suppose that tomorrow morning most of us were sitting in a city council and agreed that every body in the city should have free bread and we passed an ordinance or regulation to that effect. The second thing we would do would be to vote income supplementation into people's pockets in order to pay for that bread. I assume that the third thing to be done would be to get in touch with the bakers and tell them to manufacture the bread to meet the demand. What has been done with medical and health care services in Canada, though? Generally speaking, not because of men who have done so well in Saskatchewan, like the hon. member for Nanaimo-Cowichan-The Islands, but because of the stupidity of this government, we have invariably voted income supplementation.

I wish the Minister of Employment and Immigration (Mr. Cullen) would make a speech—if he is allowed to. Maybe the ministers have been muzzled too.

Mr. Cullen: I apologize for interrupting the hon. member, Mr. Speaker. I was not laughing at him, or with him for that matter. I wanted to point out that something like 30 cabinet ministers backed this bill. It was supported at second reading. The minister is not here this afternoon because she has other responsibilities.

Mr. Knowles (Winnipeg North Centre): Just 30 ministers? What about the others?

Mr. Grafftey: We can imagine what would happen in the city, Mr. Speaker, if after passing an ordinance for free bread and voting income supplementation into people's pockets to buy that bread, it turned out no bread was available. We do not have to imagine the chaos. The population would be starving.

Is it possible the same stupidity is being imposed on our population vis-à-vis medical health care services? We have decreed that every Canadian should have free health care service and we have voted income supplementation into people's pockets for those services, but what about the third step?

Some members who spoke ahead of me talked about preventive medicine. I am aware that the initial concept of the health resources fund was for educational institutions and research. It was meant to be the government's centrepiece, to make sure

that the plan and personnel were in place, if one is to be guided by the speeches made when the fund was set up.

The plan has been imposed on the provinces, and we have been through that debate, Mr. Speaker. It is public policy that the services should be there for everybody in the country, and it is public policy that we are going to vote income supplementation into people's pockets for those services.

Initially the health resources fund was the government's acknowledgement that it had to play a leadership role with the provinces. As the hon. member for Oxford and the hon. member for Nanaimo-Cowichan-The Islands have said, it indicated that the plan, the doctors, the institutions, the research facilities—the whole infrastructure, was there.

Today the government has the unmitigated gall to tell us they are cancelling the health resources fund because it has completed stage one of what in my view should be a ten-stage program.

● (1520)

Sometimes it is difficult to determine whether the fund is in the preventive field or the curative field.

Doctors who have already spoken in this debate, such as the hon. member for Oxford and the hon. member for Athabasca, have suggested that it should be an ongoing fund. I challenge the government to come before this House and say that they have had provincial consent to end this fund. That is just not true. The provinces were not consulted, so how could they have ever said that the fund has fulfilled its usefulness?

Originally the fund was set up for research at the university level. Past federal ministers of health and welfare have said time and again that before we can make sense and rationalize either the cost or planning of services we need to rationalize community planning. At the centre of community planning for the delivery of rational and humane medical and health care services is a high degree of emphasis on preventive medicine, home care, community clinics, emergency care research, the facilities and training of paramedical people, extended care centres, chronic care hospitals, and the list goes on. All these things go into the mix of rationalizing a proper organization for community planning, and all these things can be affected directly or indirectly by the extension of the ongoing health resources fund which the minister is cutting by this legislation.

Very often in this House or outside and in committee ministers talk about our supposedly enviable doctor population ratio in Canada as compared to other countries. It may be enviable in a global sense, but the fact is there are still many underserviced areas in this country, whether it be from the lack of primary care by physicians, specialists or paramedical people. This situation could be rectified with a proper extention of the health resources fund. The facts are here for all to see, that this fund is not being cut because the provinces want it or because it has fulfilled its purpose in terms of its phase one objective, but because of the worst economic management this country has seen since confederation. It is being cut by a government that is waging a restraint program on the backs of the less deserved, less fortunate in this country, and on the backs of the low-income Canadians.

The community hospital should be at the hub of health care and medical services in the community. Medical experts and government planning experts have talked about proper health care service for decades now, but it cannot be realized unless we have public funds allocated for planning and personnel. The only instrument in respect of which the federal authorities had to take initiatives was the very fund which the government is attempting to cut off by this legislation, namely, the health resources fund.

In looking back at the great social initiatives of the St. Laurent government, the Diefenbaker government and the Pearson government—and I am being objective about this—in bygone decades, times before the present, disastrous Prime Minister (Mr. Trudeau) came to power, we are looking at total annual budgets of $6 billion, I shudder at what we have now. Under the present Prime Minister, who is responsible for devastating our economy, we have seen our total budget go up tenfold from approximately $6 billion to approximately $60 billion. How can they possibly consider themselves a government of a just society? I challenge members opposite, who have voted for increasing the budget by tenfold, session after session to name one major social program they have brought in over the past ten years. They cannot.

This government, while ruining the economy, has not brought in one major social initiative in ten years. The best thing they can do, while passing out millions of dollars to the pulp and paper industry, is to cut out the health resources fund. Where are the great Liberal policies of the past? It is simply "ad hockery" and opportunities which we are seeing from this government. The people of Canada are waiting to turn them out because they are awful.

Mr. Young: How much has the GNP gone up?

Mr. Grafftey: I notice that members opposite are interrupting from their seats because they have been muzzled and ordered not to embarrass their Prime Minister by speaking.

Never in the history of a country in the western world have expenditures gone up tenfold in ten years without the introduction of one major social program. Can the government refute that; no. That is why they are sitting down and not speaking today.

I can well remember the number of federal-provincial meetings held in good faith to get this fund launched. At that time I am sure the provinces did not even imagine that the federal government would just pull out, leaving them holding the bag. Is this co-operative federalism? The reason this country is in such a mess today, vis-à-vis unity and federal-provincial relations, is because of actions like this. Is this sort of unilateral pulling-out of programs the kind of federal-provincial consultation and co-operation that the government feels will help the atmosphere of unity in Canada? I do not think so.

Within the past ten days it has been reported by reliable news media that Liberal backbenchers and senior civil servants

in the hon. lady's department are saying that her department is in a mess, that she has lost control, and that she has no co-ordinated policies. Members opposite, so-called government supporters and senior civil servants have said that this is nothing but a bunch of "ad hockery" and that the whole department has broken down because of a lack of leadership from the hon. lady. No single item underlines this more than the fact that the government is now asking us to cut back the health resources fund, a fund which has not even completed stage one of its objective. This is not only a very sad day for the country, but for the people of Canada who expect and deserve better, and who will be getting and expecting better in a very few months.

Mr. Peter Elzinga (Pembina): Mr. Speaker, we have opposed this bill primarily for two reasons. One reason is the high-handed method the government used to introduce the legislation and its failure to consult with the provinces.

● (1530)

It was a unilateral decision with an announcement to the press, followed five days later by a telex to the provincial health ministers informing them that the fund would be terminated.

The other reason we oppose this bill is because of its detrimental effect on research, by cutting off funds for medical research to an even greater degree than the minister and her predecessors have done over the past decade.

In reviewing the comments made by her on second reading of this bill we find that the minister used the word "dramatic". She said that the government has to take dramatic steps in its restraint program. Whether she realized it or not, she hit the nail on the head when she said that, because those are the only kinds of cuts this government is making in its restraint program—those which are dramatic, and those which evoke or stimulate an outcry of response from the people of Canada. When this kind of dramatic cut is examined carefully, it is revealed as nothing more than political grandstanding. If the government was serious about making cuts it would forget about drama and would look into the Auditor General's report. If ministers took time to study this report they would see the hundreds of pages of suggestions as to where the efficiency of government could be improved and where improved accountability methods could save millions of dollars.

For some strange reason however, these recommendations appear year after year in the Auditor General's report, but each year the circumstances are worse. The government talks about dramatic cuts in spending but seems to avoid those recommendations which would not be so dramatic but which would correct the extravagant waste of millions of dollars.

We in this party have to object to that kind of an approach, an approach by a government that is more concerned with drama than with increasing efficiency and doing something about the excessive waste imposed by its practices and policies.

Needless to say, Mr. Speaker, we on this side of the House are not very impressed with the proposals contained in this bill. As the minister indicated, the health resources fund was established in 1966. The sum of $500 million was set aside to assist provinces in the establishment of health training and research facilities. About 25 per cent of this was to go toward research. So far $416 million has either been committed or already spent. The proposal in this bill as it was originally drawn would allow the federal government to welsh on its commitment to the tune of $84 million. Of that fund, three-quarters was allocated to the construction of facilities for training health professionals, acquiring research equipment and training Canada's brilliant young people for careers in the health field.

Through its austerity the government has decided to chop this fund. The thing that concerns us most is the method used, which again is typical of this government. It did not bother to tell the provinces in advance; it did not bother to consult with the provinces in advance, but just sent a telex about five days after the intention was made public.

In a federal system direct consultation among the responsible governments is essential as a means of ensuring that the goals of all governments are better integrated and more sensitive to the regional and national requirements. For a federal-provincial system of government to operate smoothly, effectively and for the benefit of the people, there must be mutual respect between the provincial and federal governments. There must be a mutual feeling of trust.

The provinces need to trust the federal government. If the federal government makes a commitment, they need to rely on that in order to plan for the future. When the federal government takes the position that commitments are made to be broken, the feeling of trust breaks down. This is why the federal-provincial system has broken down and why unity in this country has been so shattered in the ten years of this regime.

I mentioned earlier that about one-quarter of this fund has been allocated toward medical research. We already know from previous comments made in the House, and indeed from comments made by representatives of the research community both inside and outside of parliament, that funding of medical research has already been seriously eroded. Unsalvageable damage has been done to the research capability of this country. As well, numerous laboratories are idle. Hundreds of research workers have left the country or have left their careers to do other things in order to keep body and soul together. Various technicians have been relieved of their duties and are on the already bulging unemployment rolls. In general, the policies of this government have been creating havoc in research and have caused stagnation in the general attitude toward research. It is nothing short of criminal negligence when funds are cut for health research and facilities in this way. We know that in the long run every human being in this country will be affected during his or her lifetime. This government seems to be saying in this particular instance that the saving of dollars seems to be more important than good health. In my view, and I am sure hon. members will agree, this is certainly false.

I want to touch briefly on another matter, Mr. Speaker, and that has to do with the Indian health services guidelines which were implemented only a few weeks ago. The minister indicated that she felt the Indian people as a whole were abusing the health care services that were provided. I want to object to that sort of criticism because I do not see why that particular group of people should be singled out. It is quite easy to see that some people in every group in society are abusing the health care system, to some extent.

Bill C-2 is a cutback bill in the area of health services. The concept of health, if it is to be meaningful, must be viewed in the broadest possible context. The context must encompass the physical and social aspects of a person's well-being. It cannot refer only to the absence of disease. Indian people do not enjoy the state of health enjoyed by other Canadians. This is revealed most dramatically by statistics. The statistics with respect to the health of the Indian people in my province are horrifying. If the minister is concerned about anybody abusing the medical services in this country, she should not single out the weakest group in our society, the Indian people.

In concluding my contribution to this debate, may I commend the hon. member for Athabasca (Mr. Yewchuk), who is our critic in this area. His participation in this debate has been very worth while. I would also like to commend the hon. member for Wetaskiwin (Mr. Schellenberger) who outlined the needs of our native people in this country extremely well.

The Acting Speaker (Mr. Ethier): The hon. member for Brandon-Souris (Mr. Dinsdale).

Mr. Knowles: Mr. Speaker, what about a Liberal?

Mr. Dinsdale: Mr. Speaker, I hesitated for a moment—

The Acting Speaker (Mr. Ethier): Order, please. There was another hon. gentleman standing up. I did not see the hon. member for Ottawa West (Mr. Francis).

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I have listened with a good deal of interest to the debate. This is a subject which brings back some personal memories. For some nine years, from 1951-1960, I was employed in the Department of National Health and Welfare as an economist. At that time one of the responsibilities of my section was an analysis of the national health grants and their impact. These grants had been introduced in the period following the second world war by the government of the Rt. Hon. William Lyon Mackenzie King. As prime minister he intervened in the debate when the legislation establishing the national health grants was introduced. Mr. King said at that time that a fundamental prerequisite to health insurance was the concept of health grants. These grants were to be the instrument of making sure we had the resources both in the capital facilities and in the trained personnel to provide services to the people of Canada on a scale which we hoped to provide. The history of these grants has been described in many different places. The nature of the grants has changed. New grants were introduced. The medical rehabilitation branch was introduced in the late 1950s, for example. As we look back today we see that the operation of this program has achieved a good deal of its purpose. No doubt we have not achieved all the purposes in mind. The minister of National Health and Welfare (Miss Bégin) in her remarks the other day pointed to the hospital construction grant, a tremendous contribution that has taken place through the encouragement and incentive that was offered. In those days the grant was only $1,000 per bed. That does not sound much in the days of the cheap dollars we have today. At that time it was an incentive to an orderly planning and extension of hospital facilities, and so on down the line. A good deal of the funds were dedicated to medical research. The minister has pointed out that the Medical Research Council is now to be the instrument through which an extended program of grants takes place. National objectives will be undertaken under the very competent advice of professionals named by that council.

● (1540)

What puzzles me when I listen to members opposite is their inconsistency. They tell us they are going to start everything on zero-based budgeting and then prove the need for programs. They are all for reducing deficits, except now and again they want a stimulating deficit. One never quite knows.

Mr. Nystrom: It is only three months.

Mr. Francis: Time comes into it. I referred to members of the opposition. I wish to exclude members of the New Democratic Party who have not been part of that argument.

Mr. Knowles (Winnipeg North Centre): Thank you.

Mr. Francis: I suggest that members opposite look at this bill as a bit of zero-based budgeting. That is what they will appeal to the electorate on, if we can believe what they are saying. Mind you, they may change their minds. That is their privilege.

The government is saying that after a period of 30 years, since 1948, we are now going to go to a zero-based budgeting approach on health resource funding. It is going to look at health research, the shortage of personnel, justify what is needed and, if specific programs are needed, and if the case is sold, these will be provided by the government and by parliament. They will be provided by this government.

Hon. members opposite say the program is not over, that 30 years is not enough. They say we should keep it going, that we should vote more money and that it is a betrayal of something or other not to keep it going.

The government is saying the time has come to again start from scratch in this area and look at our objectives and our needs, justify the allocation of resources and the relationship to them, and that this is part of an over-all program of restraint.

It is not easy for me in the seat I represent to defend restraint. I represent a seat in the national capital that has a very large number of public servants, many of whom are carrying the burden of the implementation of these policies. We have the difficulty of eliminating the 5,000 positions

declared redundant under the directives which have emanated from Treasury Board. This has not been painless.

I listened to members on the other side talk about the painless method of eliminating 20,000 positions a year for three years. All I know is the people I represent will not buy that. The credibility of the people who try to say they can do all of this painlessly is not going to be accepted either.

If the members of the official opposition mean zero-based budgeting, they have to start practising it somewhere. They cannot say it should not start in the health resources, not any place you look, that it is always a decision to be made somewhere else, and tomorrow. We are biting the bullet. We say the bill represents a decision to reduce a program which has had a very general over-all effect in the health resources funding area. We say we are going to justify the allocations sector by sector, case by case, where they are needed from now on.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I was delighted to give way to my hon. friend for Ottawa West (Mr. Francis) because it is somewhat disconcerting to be involved in a debate where the government side is shocked into silence. As a matter of fact, you cannot get a debate unless you have give and take across the chamber.

The hon. member for Ottawa West has now stated his case which is in some respects typical of the posture he takes. He does not always agree with government policy. However, in this instance he does agree with the legislation before the House in which the government is asking for third reading passage to meet the needs of the health programs in Canada at the present time.

I wish to say at the outset that this expresses the problem we are confronted with at the present time. We are not able to debate this important piece of legislation from a dispassionate standpoint on the basis of its merit, and there is nothing more important than the health and well-being of Canadians everywhere. Rather, we are debating the matter in an electioneering atmosphere. Obviously the government has told its supporters to be silent because the posture they are taking with regard to this matter is indefensible and they want to get this over with as quickly as possible.

Unfortunately the House and the country have been poised on the brink of this kind of uncertainty for almost a year. Parliament has been turned into a huge election machine. Nothing is done unless it is with the government's eye on the election potential.

The confusion that surrounds this piece of legislation at this time arose from the sudden reversal of policy by the Prime Minister (Mr. Trudeau). It was a fundamental reversal of policy, a 180 degree change when he spoke over television last August 1 and tried to redirect a government that had been wasteful to the nth degree. It had dragged the Canadian economy down to the level of disaster. They suddenly tried to reverse the whole posture and appear as a government led by a Prime Minister advocating restraint.

This not only shook up the whole country, but it shook up the cabinet as well, particularly the Minister of Finance (Mr. Chrétien) who indicated in a press conference at that time that he really did not know what was going on with respect to government policy. All of us who watched that press club interview over television had great sympathy for the Minister of Finance. He had been placed in an impossible position by the sudden change in direction of the Prime Minister. It is not the first change in direction, as Charles Lynch stated in a recent column. It is the tenth manifestation of the Prime Minister of Canada. We do not know what the position is going to be from one moment to the next.

It is obvious the Minister of National Health and Welfare (Miss Bégin) was placed in the same position of uncertainty, not knowing the direction the Prime Minister was charting, or if he even knew the direction he was charting. She was immediately faced with severe cutbacks on policies which the hon. member for Ottawa West referred to with some degree of positive appreciation this afternoon. We agree with that. However, suddenly there is a cutback which faces the provinces that are very dependent on the federal government for leadership, both in terms of its over-all approach to health and welfare and also for the financial basis of health and welfare programs.

● (1550)

Here are some of the cuts: $55 million in equalization grants, $150 million by deferring the community services program, $160 million by deferring the social services legislation. I want to pause there for a moment. For six or seven years we have been promised that there would be a major breakthrough in health and welfare programs with the introduction of the long-anticipated social services legislation. It began with a five-year review which produced the orange paper under the leadership of a former minister of national health and welfare who is now the Minister of Justice (Mr. Lalonde). Seven years later, we are still being given nothing but hope and promises with regard to this legislation. But let me continue with the recital of the cutbacks. They include $25 million under the public utilities income tax transfer, making a total of $390 million and the bill presently before the House would increase that amount by $29.5 million, bringing it up to $420 million. One can understand that the Minister of National Health and Welfare who assumed the portfolio a little over a year ago was faced with an impossible situation. As my hon. friend from Athabasca (Mr. Yewchuk) said in his speech last evening, she was obliged to take a scatter gun approach in trying to cope with it.

I have read her speeches with great care. She is obviously trying to put the best possible face on the situation, trying to give the government a humanitarian face, though that is an impossibility. I believe her heart is in the right place, as the hon. member for Winnipeg North Centre (Mr. Knowles) said; he believes the minister is trying to do her best in circumstances which have been created by the policies of her leader. She demonstrated this quality when she was faced with protests from the Indian community—I shall not dwell on that

subject because it has been dealt with by several speeches from this side. It is incomprehensible that the government would attack the most vulnerable group with respect to health care by removing rights which are not only traditional but established by treaty. If there is any group which should be able to claim the benefits of health care from the government it is the aboriginal population. Yet the minister was forced to make the irrational move of cutting back the health services they have traditionally enjoyed. Faced with the facts, she had to acknowledge that it was an impossible situation and she delayed a final decision for six months. That will just happen to coincide with the end of the next election and that is why I say we cannot deal with this legislation in any spirit of reality; it is all being debated under the prospect of an imminent election.

I should like to compliment the minister in another regard. Hon. members will be aware that I have been promoting a private member's motion for four or five years making the simple request that we should deal in depth with the problems, both physical and mental, of the disabled community of this country. All we are seeking is a committee to co-ordinate our activities in this field. That proposition has been repeatedly turned down, but I did receive a letter from the minister dated December 5 which indicates that she is wrestling with this problem and wishes to do something about it even though the social services legislation will not be in place in time for the 1980 World Congress on Rehabilitation. She says in her letter:

> You can infer from these comments that a new motion along the line of your previous ones will receive my endorsation and support.

I appreciate that gesture of support and goodwill; it seems it should have been given long ago. We are now faced with the situation that our social services legislation will not be in place in time for Rehabilitation International, the worldwide community of people and organizations interested in rehabilitation which Canada is hosting in Winnipeg in 1980. I have been talking about the marvellous breakthrough which was on the horizon because we would be implementing the new legislation. At least, the minister recognized her obligations and responsibility and is giving her support to the motion. So we shall get together a committee which will make it possible for representatives of the voluntary sector of the rehabilitation movement in this country to clarify their plans. There are at least 48 separate organizations led by the Canadian Rehabilitation Council for the Disabled which are making preparations for this great congress. Six thousand people from around the world will be meeting in Winnipeg and we shall be able to hear from those representatives of the voluntary sector; we shall be able to get it all together and make a report on the state of rehabilitation in Canada which will be available as background information.

Mr. Speaker, perhaps I could call it four o'clock now; I am approaching another aspect in my speech?

[Mr. Dinsdale.]

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. It being four o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions, and private bills.

Item No. 9, the hon. member for Burnaby-Richmond-Delta (Mr. Siddon). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

Item No. 10, the hon. member for Davenport (Mr. Caccia). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

Item No. 13, the hon. member for Prince George-Peace River (Mr. Oberle). Shall the item stand by unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Item No. 14, the hon. member for Dartmouth-Halifax East (Mr. Forrestall). Shall the item stand by unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Item No. 15, the hon. member for York-Centre (Mr. Kaplan). Shall the item stand by unanimous consent?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Item No. 16, the hon. member for Esquimalt-Saanich (Mr. Munro). Shall the item stand by unanimous consent?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Item No. 17, the hon. member for Surrey-White Rock (Mr. Friesen). Shall the item stand by unanimous consent?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Item No. 19, the hon. member for Pembina (Mr. Elzinga). Shall this item be allowed to stand by unanimous consent?

Some hon. Members: Stand.

• (1600)

SENATE AND HOUSE OF COMMONS ACT

DISPLAY OF THE FLAGS OF CANADA IN PARLIAMENT

Mr. Stan Schumacher (Palliser) moved that Bill C-220, respecting the presence of the flags of Canada in both Houses of parliament, be read the second time and referred to the Standing Committee on Procedure and Organization.

He said: Mr. Speaker, I rise to propose and explain the provisions of Bill C-220, which would provide for the display in the House of Commons and the Senate of the other Canadian flag, the Union Jack.

To the uninitiated my bill might seem a reactionary proposal; the placing of a symbol of the British Empire within the precincts of a building which the BBC has called Britain's first, but not last, export of fairyland parliamentary gothic.

But seriously, hon. members should realize two facts: first, the Parliament of Canada, after approving the Maple Leaf flag in December of 1964 immediately designated the Union Jack as another legal and legitimate Canadian flag; and second, the legitimacy of that flag is enforced by its special role as a reminder of our loyalty to the Crown and of our membership in the Commonwealth of nations.

I would like to examine these aspects of the symbolism of the Union Jack with a view to analysing why it should be displayed in this chamber.

To begin with, the Union Jack reminds us of our loyalty to the Crown. Indeed, Canada has always been a monarchy in an unbroken line. From the day that Jacques Cartier planted the fleur-de-lis of the Bourbon kings on the soil of New France in 1534 we have been a royal people whether under French, British or, since 1867 and more particularly 1831, a Canadian monarch.

In 1867 Canadians deliberately and freely chose the monarchy as their system of government. They could have adopted any other form of administration, but they chose, as do their descendents today, deliberately and specifically to maintain a constitutional monarchy, reflective of Canada's heritage dominant in Canada's present, and essential to Canada's future.

In chorus, unbroken from the earliest days, Canadian leaders, citizens and various constitutional conferences of more recent times have methodically decided that Canada should continue to be a sovereign state of which the Queen is head.

Indeed, one might add parenthetically that the monarchy even antedates the arrival of French colonists, for it, in a rather absolute variety, was the form of government known to Indian tribes in the millennium before the white man ever set foot upon this continent.

Of course, the constitutional monarchy is more democratic than a republic, for the Queen of Canada represents all Canadians. A president or other elected head of state would be a divisive factor in our land, as he would owe his selection to some political faction or other. This could divide him from many of his countrymen and make his claim to represent all Canadians less convincing. This danger is inherent in the kind of muddled thinking which obtains in some quarters these days where it is fashionable to suggest that the monarchy and the person of the sovereign are mere ceremonial trappings and where these revisionists would claim the full amplitude of Canadian government is represented in the office of governor. However, now is not the time to enter that debate, but to reflect that the Queen and her heirs have been trained from birth for one profession and therefore by the most ultimate form of democracy—the chance arrangement of genes—they have become the Canadians most eligible to assume their important position.

It is worth noting that the most stable of democracies in the world today, our constitutional monarchy, is in direct contrast to the unstable tyrannies which are so often typified by a republican form of government. Indeed, we have a twentieth century monarchy for, through modern communication devices, Canadians can participate fully in their Queen's life wherever she may be, and she herself, when allowed, is able to visit and is aware of more parts of Canada than most Canadians.

Then, of course, newcomers to Canada today can either identify with the monarchy because they come from countries which enjoy that form of government or feel a special affection for their new sovereign because she typifies unity, rule of law and decency, which have all too often been absent in the countries from which they have fled.

The colour and ceremony surrounding our monarchy attracts the interest of all Canadians, especially the young, in our process of government. No less an ardent French Canadian nationalist than Henri Bourassa referred more than once to "the Crown we have come to respect".

The monarchy, despite its detractors' efforts to paint a contrary picture, is popular in French Canada. Historically, Francophone Canadians have three times chosen the monarchy. Their cultural and religious leaders rejected the overtures to join the rebellious colonists during the American revolution in 1776. They participated enthusiastically in the choice of the monarchy as the new state's form of government in 1867 and continued to accept it, as evidenced by the strong support given to the maintainance of the monarchical system by Premier Lévesque and his minister of intergovernmental affairs, Claude Morin, at recent federal-provincial conferences.

Our Queen is a fluent speaker of the French language, and the early history of her house is closely bound with that of the French crown and French culture. Moreover, the Crown has always been an emblem of the guarantee that the rights of any minority will not be trampled by the will of a majority.

Now, continuing to reflect on why the flag most closely associated in Canada with the Crown and our Queen should stand in this chamber, let us remember that the Queen is the bond joining each Canadian to each of his fellow citizens.

When a new Canadian swears his oath of allegiance, he makes a personal contract to bear true and faithful allegiance to his sovereign. Thus, the immigrant acquires a lifelong tie in common with all other Canadians.

That the Queen is part of parliament, despite the best efforts of some, reflected in Bill C-60, to remove her; that she gives royal assent to legislation; that laws are enacted in her name and bear the year of her reign; that she provides the framework for orderly transaction to elected governmental officers; that the army, the mails and the civil service function in her name: these are not the accidents of history. These are not the curiosities of legal draftsmanship. They stand at the centre of the Canadian constitution, safeguards of Her Majesty's right to be consulted, to encourage and to warn and to provide practically the only check on the untrammelled growth of the power of the political executive.

In 1973, speaking in Toronto, Her Majesty said:

I want the Crown to be seen as a symbol of national sovereignty belonging to all. It is not only a link between Commonwealth nations, but between Canadian citizens of every national origin and ancestry. The Crown is an idea more than a person, and I want the Crown in Canada to represent everything that is best and most admired in the Canadian ideal. I will continue to do my best to make it so during my lifetime, and I hope you will all continue to give me your help in this task.

No one can argue that Her Majesty has kept and continues to keep this pledge, although how much help she has had from some of her ministers in the interim is at the very least debatable.

Thus, as we sit here in this chamber day by day and are looked upon not only by the thousands of young Canadians, especially who sit in the gallery and see our deliberations, but also by the new-found audience of millions brought to us here through television, I ask: is it not well that the flag standing for our affection and duty to Our Sovereign Lady and to the Crown she personifies should be displayed next to Your Honour's chair, a boast of that affection freely given and perhaps the departure point for many questions which will be asked by young Canadians about the significance of that flag, the answers to which will increase their knowledge of our country's institutions?

● (1610)

Of course, Mr. Speaker, we should not forget the second stated purpose of parliament to retain the Union Jack as a flag of Canada, namely, to stand for our membership in the Commonwealth, that unique association of sovereign states with vastly differing populations, traditions and systems of government, which, nonetheless, forms one of the few, if not the only, non-governmentally allied international communities on this shrinking planet.

I do not need to remind hon. members of the many contacts, exchanges and programs which enrich both our own experience and those of other Canadians through the various associations which promote international relationships. But, in that the centre of the Commonwealth is an allegiance to the Crown, and in that Canada is the most senior member of that body, again I ask: is it not well that the flag standing for that shared allegiance and multinational association stand here in this chamber again to provoke questions for the uninitiated and to remind the more tutored of our international dimensions?

[Mr. Schumacher.]

Mr. Robert Daudlin (Parliamentary Secretary to Secretary of State): Mr. Speaker, I rise to participate in this debate with a feeling almost of déja vu in that although I was not in this place at the time the great flag debate took place, certainly I was one of those concerned Canadians who listened with interest to what was said here.

Before I get into that aspect of the debate, I think it would be unwise of me to leave unchallenged some of the references made by the hon. member who preceded me to Bill C-60 and particularly the claim he makes that members of this government, or indeed any member of the House, would attempt by that bill to denigrate in any way royalty, the Crown, the Queen or anything having to do with the royal family.

Members of this government and members on this side of the House both in and outside the House have taken the position and have attempted to make clear—and obviously have not made it clear enough for the hon. member to understand—that the words used in Bill C-60 are not intended or designed to remove any of the rights or the authority of the Crown. What they are attempting to do is to delineate, underscore or describe, if you will, the status quo and what in fact is the current position of the Crown and the monarchy in Canada. I am sure the Prime Minister (Mr. Trudeau) has said this in words more eloquent than I can repeat this afternoon, but if those words are not sufficient to describe what is the state of things, then let those persons who feel they do not provide those words that would describe the current state of the Crown, and again I say, not the Crown of 1900 or the Crown of 1867, but the monarchy as it exists today. Surely that is what was intended by the bill and that is what continues to be the intention of the government, as I understand it.

The debate today in a sense almost transports us back to 1964 when the House debated the flag. It was emotional, it was lengthy, and covered the merits of adopting a distinctive flag for Canada, a flag that would reflect our identity as a nation. It was a worthy debate. Those few members who were present in the House at that time may well recall the arguments which took place then. However, the majority of us, as I indicated earlier, were in other places, occupied with other concerns, and although we may have followed the debate with some interest, I think it might be enlightening and useful in the discussion of this bill to outline some of the history behind our national flag and the reasons why parliament in 1964 adopted the practices that surround its display in the House of Commons and in the Senate.

It is hard for us to imagine the emotion and strong feelings that were reflected in the debates at that time. By now, most Canadians have accepted the red maple leaf flag as the symbol of our aspirations, our ambitions, our legitimate national pride, our unity, our loyalty, our Canadian nationality. In spite of the many reservations expressed in 1964, I think that the majority of Canadians have developed an attachment for that flag and

what it stands for. In fact, the word "attachment" may even be understanding the case, because many Canadians have developed a respect, and some a love, for the flag that would be very gratifying to those in the government, especially the late prime minister, the Right Hon. Lester B. Pearson, who was instrumental in introducing it before the House.

But such pride and acceptance were by no means assured back in 1964. There were many who were strongly attached to the great union flag, more commonly known as the Union Jack, and there were others equally partisan in favour of the Red Ensign, which for many years has served as the *de facto* Canadian flag. These supporters were difficult to convince of the need for a unique and distinctive Canadian flag, and they mounted a vigorous opposition which at several points threatened to delay and perhaps scuttle the government's plans to introduce the single red maple leaf flag so familiar to us today.

In the present context, when we are being asked to consider the introduction of the Royal Union flag within the chambers of the House of Commons and the Senate, I think we should review and reflect upon the decision of the House in 1964 to limit the Union Jack to be used as a symbol of Canada's membership in the Commonwealth of nations and of her allegiance to the Crown. This decision was not taken lightly or without a great deal of reflection. In giving primacy to the national flag, and in limiting the use of the Union Jack to certain occasions, such as the official observance of the Queen's birthday, the anniversary of the Statute of Westminster, and the occasion of royal visits and certain Commonwealth gatherings, the House was making a strong and deliberate statement on the subject of Canadian identity.

Much thought had been given to the ideal design for a Canadian flag. The committee of the House that was formed to choose a suitable design reviewed hundreds of suggestions sent in by experts and by the public at large. Design after design was eliminated until only three were left. Some of you may recall them: there was a red and white design containing the Union Jack and three fleurs-de-lis, a design incorporating three maple leaves on a white background with a narrow bar of blue at either end, and the familiar red flag with a single red maple leaf on a central white square. As we all know, on October 22, 1964, the House voted unanimously in favour of the single leaf flag that has become so integral a part of our lives. It was officially proclaimed and flown for the first time on Parliament Hill on February 15, 1965—in the words of John Matheson, member of parliament for Leeds, Ontario, who had originally been charged with the responsibility for finding a new flag design, "a flag of dignity and grace, worthy of a great sovereign nation".

Speaking in 1979, it is difficult to project oneself back into the atmosphere of those pre-1964 days and to imagine a time when this nation lacked an official, central symbol of its own identity. Following confederation in 1867, the Union Jack of Britain was retained as the official flag of Canada. That was perhaps appropriate at the time because Canada was still a colony of Great Britain and not a full-fledged nation. Our first prime minister, Sir John A. Macdonald, reacting to the first stirrings of Canadian nationalism, requested formal approval from the British Admiralty in 1874 to use the Red Ensign, bearing the provincial arms of the four provinces then in confederation, as the official Canadian flag. This approval was denied until 1892, and even then it was granted only on the condition that its use be confined to Canadian merchant ships on the high seas. Nevertheless, it is interesting to note that Canadians continued to fly the Red Ensign, on land as well as on sea, until the outbreak of the Boer War, when a resurgence of imperial feeling throughout the British Empire revived popular support for the Union Jack, and the Red Ensign was removed from all Canadian public buildings. Therefore, during the First World War Canadians fought and died under the Union Jack. For all intents and purposes they were considered to be British troops, in spite of the fact that most of their regimental badges contained such distinctively Canadian symbols as the maple leaf and the beaver, and that Canadians distinguised themselves in their valorous stands at such battlefields as Vimy Ridge and Ypres.

● (1620)

After the First World War, Canadian nationalism once again became a strong force, and King George V was persuaded, on the recommendation of the government of Sir Arthur Meighen, to grant a Canadian Coat of Arms in 1921. This was incorporated quickly into the Red Ensign, and in 1924 the Canadian government authorized the use of the Ensign on all Canadian buildings outside Canada. Canadians were left in the very peculiar position of being able to fly the Red Ensign outside but not inside their country. Even after the passing of the Statute of Westminster in 1931 when Canada became a fully autonomous nation, the Union Jack remained the official flag. There were numerous attempts by members of parliament during the 1930s to introduce flag motions in the House.

During the Second World War, a distinctive battle flag was designed by the Department of National Defence for use by Canadian troops. It was not a popular success. Many people, and indeed members of the House who were familiar with the military, cannot indicate the design of that flag. In 1943 a return was made to the Red Ensign which was authorized to be flown by the Canadian army formations overseas. After the war the then prime minister, the Right Hon. Mackenzie King, announced that he would recommend to parliament the adoption of a distinctive national flag. In the meantime, a 1945 order in council was passed which indicated that until a national flag was adopted, the Red Ensign would be flown over federal buildings both inside and outside the country. This temporary expedient proved to be a much more enduring one than even Mackenzie King would have envisaged. The new flag design placed before parliament in 1946 was rejected on the grounds that it might not be acceptable to all Canadians. In spite of periodic attempts to revive the flag issue, the nation remained in a state of limbo, in so far as the flag was concerned, until 1964 and the events I have already described.

I do not mean to abuse the patience of the House by giving this lengthy history of our attempts to adopt a truly Canadian flag. Instead, I think it is a necessary background to discus-

sions of this bill. For years as a nation we were without one of the central symbols of nationhood. During that time we struggled to identify who we were as a people. As we slowly severed the links of colonial status we gradually came to an understanding that our flag, whatever it might be, could not be a copy or a derivative of any other nation's flag. It would have to be distinctly our own, using symbols which were unmistakably Canadian and embedded in our history.

The final choice admirably fulfils this requirement. In heraldic terms it is described as "gules in red on a Canadian pale argent of white a maple leaf of the first". The maple leaf, the central feature of the flag, is perhaps the quintessential Canadian symbol. As early as 1700 it was already in use in Canada. In 1834 it was adopted by the Saint-Jean-Baptiste society as its emblem. By 1860, when the Prince of Wales visited Canada, citizens of Toronto unanimously approved a motion resolving the following:

All native Canadians joining in the procession, whether identified with the national societies or not, should wear the maple leaf as the emblem of the land of their birth.

As I mentioned before, the dominant symbol of Canadian regimental badges as early as the First World War was the maple leaf. Finally this fact was recognized officially in the Coat of Arms of Canada, which in its original form had three green maple leaves on a single stem and a golden lion holding a red maple leaf above the shield. Later in 1957 the colour of the three maple leaves on the coat of arms was changed from green to red, to correspond with Canada's national colours.

Also the colours of red and white were incorporated into our flag. They strengthen the symbolic significance of the design; the red represents strength and the white purity. But beyond these two admirable qualities, they form a part of the tradition of both France and England, our two mother countries. Red was the colour of St. George's Cross and the colour borne by the French crusaders. White was the colour of the field of St. George's Cross and the colour of the banners borne by Joan of Arc. For a long time white was the colour associated with the early monarchs of France, just as red was the colour of the early kings of England. In his proclamation of the Canadian Coat of Arms in 1921, King George V officially recognized red and white as the Canadian colours. Thus, it was fitting they should form part of our flag.

Having taken 98 years to develop and agree upon this emblem of our country, it is not difficult to understand why our predecessors in the House were reluctant to authorize the equal recognition of another flag within the Canadian context. The debates of 1964 were enlightening. Many members who participated in the weeks of debate preceding the adoption of the flag were singularly unenthusiastic about the motion to adopt the Union Jack as the Commonwealth flag. This was not because hon. members lacked respect for the Union Jack and for what it stood. Many were strong supporters of the Commonwealth and the monarchy; many opposed the superseding of the traditional Union Jack and Red Ensign by any new flag. However, once the red maple leaf flag had become fact, they understood the need to stand behind their decision. There could be no half measures and no recognition of two flags, especially two flags which stood for such different realities. Those members realized that to be a successful embodiment of this country, the flag would have to command the undivided allegiance of its citizens; it would have to be clear indication of Canada's sovereignty and nationhood; and its meaning could not be diluted by legislation which made provision for the recognition of another flag, except in the most unusual circumstances.

The amendment finally adopted limited official display of the Union Jack to those occasions I have outlined already: the Queen's birthday, royal visits, Commonwealth gatherings, the anniversary of the Statute of Westminster, and at war memorials during ceremonies marking anniversaries of events in which Canadian forces participated with other Commonwealth forces. Even on those occasions, the Canadian flag must be flown and must be given the precedence due the national flag. Of course individuals and organizations were allowed to continue to fly the historic Union Jack when appropriate, as long as they took into consideration the form of approval accorded it by parliament. Our predecessors wished to ensure the primacy of the new flag. In the light of subsequent events, very clearly they succeeded.

During the debates several members expressed their fears that Canada was adopting a "two flag" system which would lead ultimately to divisiveness and strife. They saw, some more clearly than others, that the national flag could become a unifying force if it were given a chance, or a source of dissent if it were not.

Looking at the Canadian flag from today's perspective, I think they adopted the correct course. There may be many sources of disunity in this country today, but I do not think the flag is one. The flag flies proudly on all our public buildings; school children wave thousands of tiny versions of it during public holidays and royal visits. It is even a popular form of window curtain among the younger generation, a use which may not be officially sanctioned but nevertheless is an index of acceptance. One of our most moving national moments occurs each July 1 when a giant Canadian flag is raised on the Peace Tower as the culminating moment of a day-long celebration.

Such widespread approbation is no accident. It is a direct result of the actions taken by the House 15 years ago. We were correct to adopt our flag then and to make it the undisputed symbol of our national consciousness. We will be correct now to oppose this bill which proposes that we take a step backward and dilute the authority we have invested in our flag. I urge the members of this House to consider carefully the long struggle toward true nationhood which preceded the adoption of our flag. I urge them to reflect upon its current stature and undisputed place in the hearts of Canadians. I hope they will conclude that in the chambers of this House, of all places, it should remain the sole and undisputed symbol of our collective identity.

Mr. Peter Elzinga (Pembina): Mr. Speaker, I should like to make a few very short comments regarding Bill C-220 before the House at this time. I was gratified to hear the hon.

member for Kent-Essex (Mr. Daudlin) take a position in his concluding comments. I hope the hon. member has not mistaken the intent of this legislation. We in no way want to downgrade the importance of our Canadian flag, the red maple leaf of which the majority of us are very proud.

● (1630)

I should like to support recognition for the Union Jack in both Houses of parliament. As the hon. member for Palliser (Mr. Schumacher) said, the Union Jack was recognized by an act of parliament of 1964 as one of Canada's national flags and it has played an important role in the history of our country. It signifies our place, and recognition of the role we play in the Commonwealth. For that reason I would be most happy to see it in both chambers of parliament.

I cannot help but be somewhat suspicious when hon. members opposite speak on issues associated with the monarchy. So often we see them use the monarchy for purposes of political expediency. In this chamber and throughout the country they have tried to diminish the role of the monarch in the Canadian way of life, yet when we have visits from the royal family the Prime Minister (Mr. Trudeau) is front and centre, trying to gain whatever political points he can.

As I said at the beginning, Mr. Speaker, my comments will be brief in the hope that this bill will come to a vote within the hour allotted for private members' business so that we can see where hon. members stand on issues associated with the Union Jack and with the monarchy in general.

[*Translation*]

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I am very pleased to have the opportunity to speak on the subject before us, namely the Union Jack.

[*English*]

I can well imagine that when this debate was going on in this House some 15 years ago, tempers were a little sharper than they are today. The hon. member for Winnipeg North Centre (Mr. Knowles) was here at that time and took part in the debate. I would have welcomed the chance to put my views forward at that time as well.

I noticed earlier this afternoon that the right hon. member for Prince Albert (Mr. Diefenbaker) was in the House, Mr. Speaker. I had hoped that he would take part in the debate.

The hon. member who spoke ahead of me said that he was glad my colleague the hon. member for Kent-Essex (Mr. Daudlin) stated his position. I state my position categorically, Mr. Speaker. I am opposed to the Union Jack standing side by side with the Canadian flag in this chamber or in the other place. I am as opposed to that as I would be to having the tri-coulour of France if it were brought forward to take its place there.

The hon. member opposite said that our roots are deep in the traditions of England and British history. I do not deny that. Indeed, I am glad of it. This parliament stands today as a model of what was accomplished in terms of parliamentary democracy in England. I would be the last person to make a derogatory statement about the great traditions handed down to us by England. But this was in another time, Mr. Speaker. We should remember our roots but we should also look to what we are in the present and what we hope to aspire to in the future.

[*Translation*]

Mr. Speaker, symbols have that remarkable characteristic of combining various and often complex notions in a vivifying and colourful expression. The symbolism of the Canadian flag we are talking about here reflects the history, the beliefs, the ideologies and the aspirations of Canadians who are multicultural and who today, with the passage of the Official Languages Act, are known throughout Canada. In addition, proclaimed on February 15, 1965, the maple leaf became the distinctive, sober and gracious symbol of this country, as the former hon. member for Leeds, Mr. Matheson, put it so well.

Indeed, on February 15, 1965, on Parliament Hill, in Ottawa, the ceremony of inauguration of the Canadian flag took place in the presence of the right hon. Georges Vanier, Governor General of Canada, Prime Minister Lester B. Pearson and the members of the cabinet. These words spoken on that memorable date by the hon. Maurice Bourget help emphasize the symbolic aspect of our flag which is on your right, Mr. Speaker. He said:

> This flag is the symbol of the unity of this country because it represents beyond the shadow of a doubt all citizens of Canada without distinction of race, language, belief or opinion.

In 1964 the Parliament of Canada after adopting the maple leaf as the flag of Canada proclaimed the Union Jack as the official symbol of the belonging of this country to the Commonwealth. I want to describe the use made of those two flags to further emphasize the importance of our Canadian flag.

When physical facilities permit, the Union Jack flies with the Canadian flag on buildings, air terminals, military bases and establishments of the federal government within Canada on the day of the official celebration of the Queen's birthday, the anniversary of the Statute of Westminster, which is December 11, as you know, and during royal visits and certain Commonwealth meetings in this country. It can also fly with the Canadian flag at the national monument commemorating the dead of World War I and in other appropriate public places in Canada during ceremonies commemorating the anniversary of events in which Canadian and other Commonwealth forces participated. Of course, individuals and organizations can fly the Union Jack in Canada as they see fit under the regulations approved by parliament for the use of the flag.

On the other hand, the Canadian flag is, of course, flown in more places and on more occasions that the Union Jack. In general, we can see the Canadian flag from sunrise to sunset flying over all federal buildings, airports and military bases and institutions inside and outside Canada. Regulations also

allow it to be flown all night. It can also be used in commercial buildings or to identify Canadian stands at exhibitions. It constitutes the normal national colours of all Canadian ships and boats, including pleasure craft. In fact, the Canada Shipping Act provides that a Canadian ship must fly the flag on a signal given by one of Her Majesty's ships or a ship on the service of the Canadian government and belonging to the government, while entering or leaving any foreign port, and if it carries a burden of 50 gross tons or more, while entering or leaving any Commonwealth port.

Foreign vessels fly the Canadian flag as a sign of courtesy when they lie at anchor in a Canadian port. In the case of merchant vessels and pleasure craft, the Canadian flag must be flown in all ports and in territorial waters. However, this rule does not apply on the high sea unless the vessel wishes to show its nationality to another ship. When a merchant vessel and a warship, whatever their nationality, cross or pass each other, the merchant vessel must salute with its flag as a show of courtesy.

Mr. Speaker, the flag is used, of course, at the unveiling of monuments, plaques and paintings, at the end of conferences or official inaugurations, on national holidays, and so on. It is also used to note the death of important personalities or officials. Thus, the flag on the Peace Tower in Ottawa is flown at half mast on the death of the sovereign or a member of the royal family, on the death of a governor general, a former governor general, a lieutenant governor, a member of the Canadian Privy Council, a senator or a federal member of parliament.

● (1640)

[*English*]

Besides being flown on top of other buildings, airports government military establishments and federal government buildings, the flag will be flown at half mast from one end of the country to the other on the death of a sovereign, a member of the royal family, the governor general, the prime minister, retired governors general, retired prime ministers or ministers of the federal cabinet. Secondly, within the confines of the provinces, the flag will be flown at half mast on the death of a lieutenant governor, the first minister of the province or any person to whom the province wishes to pay respect. Thirdly, the flag can be flown at half mast on the death of a member of a provincial legislature in his or her riding and, fourthly, the place of residence in the case of the death of a senator, a past member of the Privy Council of Canada or a mayor.

[*Translation*]

The flag is also flown at half mast on federal buildings and elsewhere according to special instructions on the death of members of the royal family other than the sovereign or of persons related in the first degree with the sovereign and his immediate family, as well as on the death of a foreign head of state or any other person whom we may wish to honour.

[Mr. Parent.]

[*English*]

Such was the case after the death of President Kennedy of the United States when he was assassinated some 16 years ago.

[*Translation*]

During half-mast periods, the flag is flown to the top of the mast on all federal buildings, airports and military bases and establishments during all legal holidays, and on the Peace Tower when a chief of state visits Parliament Hill. However, that rule does not apply when flags are mid-masted on the occasion of the sovereign's death, they are hoisted to the top of the mast only the day the new monarch is proclaimed.

Finally, Mr. Speaker, on November 11, Remembrance Day, the flag on the parliament building's Peace Tower is mid-masted at 11 a.m.

In light of all those examples, hon. members will agree that our Canadian flag is significantly utilized. Even when the Queen is in Canada, Her Majesty's own Canadian flag is hoisted.

[*English*]

She has her own royal flag, and it is not the Union Jack because that is the flag of Britain. The royal flag varies from country to country within the Commonwealth, and the royal flag is flown in these countries when the Queen visits.

[*Translation*]

Let me go on, Mr. Speaker, day and night the Queen's flag, a unique flag, is proudly hoisted on any building where she is residing or in which she is attending an official or public reception. Generally, the colours also fly behind the tribune where Her Majesty is saluted by the troops she is reviewing, and on Her Majesty's ships when she is aboard.

I therefore feel, as a large number of my electors, that the Canadian flag is the symbol *par excellence* of our Canadian identity.

[*English*]

I therefore ask myself why we should adopt the Union Jack to stand beside our own flag. Even though it does symbolize our membership in the Commonwealth, it is not the responsibility of Canada alone to determine which flag should be used to signify association with the Commonwealth, but a decision which should be taken together with all other member nations of the Commonwealth.

[*Translation*]

Of course, we have no suggestion whatsoever to Commonwealth countries wishing to use the Union Jack as their own flag. Anyway, I sincerely believe we can show our participation in the British Commonwealth by using our own flag, because it adequately reflects our cultural identity.

As I said earlier, Mr. Speaker, I oppose for these reasons the Royal Union flag being present alongside the national flag in the Senate and House of Commons.

[*English*]

The hon. member for Kent-Essex (Mr. Daudlin) mentioned that those men and women who fought in the first and second world wars did, indeed, use as their flag the Union Jack. As Parliamentary Secretary to the Minister of Veterans Affairs I represented Canada at Vimy last November 11 and was taken on a tour of the cemeteries where our Canadian brothers and sisters of another time lay buried. Engraved on their headstones in a circle was the maple leaf, the same maple leaf which we have on our flag. It took 98 years before we could call this flag our own and before we could fly it on this building. As a fifth generation Canadian, I make no apology for saying that no other flag should stand beside ours. This flag was bought and paid for by all the other Canadians which make up this great country, and, as the hon. member for Kent-Essex has said, we would be taking a step backward if we did not proclaim once and for all that this is the flag of Canada and of all Canadians. It is my flag and I am very proud of it.

● (1650)

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened with great interest to the debate that has taken place and to all the members who have made a contribution. It is their right in private members' hour to express their opinions. I will try not to use up all of the time so that my friend on the other side can express his opinion as well. I disagree with the hon. member for Kent Essex (Mr. Daudlin) but only on two matters, as he gave an admirable recount of the history of the time. I disagree with him that Bill C-60 did not appear, to a large number of people in the community, to do something in respect of the monarchy. In my opinion that was evident by the reaction in the community. People can think for themselves, they do not need members of parliament to tell them how to think in that sense.

I do not know if it was a conscious attempt or not, but at least it was perceived as such and as a result the government quite rightly backed down on what they intended. Right across the country the government said they did not intend that kind of thing, and it was even mentioned in the Speech from the Throne. This was all to the good because it was best for the air to be cleared.

The hon. member for Kent-Essex said that this debate takes us back to the flag debate. It may do so in the minds of some, but it should not. The flag debate was a watershed in the development of national symbols in this country. That flag was accepted by parliament, not without difficulty, but it was accepted. It seems to me that the red maple leaf flag has been generally accepted across Canada as a symbol of the nation. One can ask my children and children of other hon. members who were young at that time what is the Canadian flag. There is no doubt in the world that these children can tell you what flag is the Canadian flag. Indeed there is no doubt at all about what members of parliament feel when they distribute these small lapel pins to school children and others who come to visit this building. They are distributing a replica of the national flag. There is no doubt that we have moved past that period of history and so I disagree with the hon. member for Kent-Essex in that regard.

When I look at Bill C-220 I see two things in the explanatory note. First I see that the Maple Leaf flag was proclaimed as the national flag and it says:

—the Union Jack as the symbol of our connection with the Commonwealth and loyalty to the monarchy.

This is a national parliament and a national chamber. As a private member of this House I think the only flag that should be in the national parliament and in this chamber should be the national flag. But that is not to say there is any movement away from those symbols which are important to me and many Canadians regarding our connection to the monarchy. This is a connection which has now been embraced by the government, according to the proclamations that we have heard.

We look around us and see the mace on the table with a replica of the Crown on it. There is a coat of arms on the chair. On top of the calendar on the table there is a Crown. On the ancient ink-well on the table is a Crown. A great deal of symbolism can be found in this chamber which indicates our affection and loyalty to the Crown.

With respect to the flag which is the national symbol of our country, I do not think it is inappropriate that it stands by itself as a national symbol. Symbols are important to people and that is the reason why I make these remarks. I do not want anyone in this House on either side to think that the Union Jack with all its traditions and with its three crosses is not important to a large number of Canadians and not part of the symbolism of the country.

If one looks at provincial flags, for example, the provincial flag of Newfoundland, the newest partner in confederation, he will see it happens to be the Union Jack. I am sure if one would ask the Secretary of State for External Affairs (Mr. Jamieson), a senior member of parliament in that area, how he feels about that flag he will find that he feels a sense of affection and identifies that flag with his lovely province. One can see the Union Jack on the Ontario provincial flag. I think that is quite appropriate. Indeed, the Union Jack appears in the fly of another provincial flag. I am sure the government leader in the Senate and the Minister of State for Fitness and Amateur Sport (Mrs. Campagnolo) would be distressed if one ever said to them that the Union Jack contained in their British Columbia provincial flag was not important to them. It is an important symbol to many people. It is an important symbol to me, just as I am sure that symbol in those flags is important to others in this chamber who come from various provinces.

I do not believe this bill moves in the right direction. I know what the hon. member has in mind. I think there is a place for display within this building for the flags and the symbols which are important for the men and women who come to this building to serve in the House of Commons and the Senate from all provinces and from our two territories of this country. It would be appropriate if all members of parliament during the course of this debate gave some thought to a place within

this building for the provincial flags which contain symbols that mean something to all of us. Some even including the Union Jack, which certainly means something to a great number of us.

As I came in here just before private members' hour began I took a look down the hall of honour. It is a relatively open and vacant place. It has beautiful architecture, lovely ceilings and columns. We might consider placing the flags of the provinces and territories there. I do not know how many members of parliament have gone into the Peace Tower or have seen anything but the clock. Inside the Peace Tower is a small but beautiful symbolic chapel, the Memorial chapel in which is found the book of rememberance. These books contain the names of veterans, about which the hon. member for St. Catharines (Mr. Parent) spoke. These are veterans from the Boer War, the First World War, the Second World War and the Korean war. These men and women came from all over Canada. Every race, creed and colour were represented in those wars and are represented in those books. That might be an appropriate place for us to consider as a place where all these symbols could be displayed. I do not want to reopen the debates of 1964—

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

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

HOUSE OF COMMONS

Monday, February 5, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

RIGHT OF MEMBERS NOT TO DISCLOSE SOURCES OF INFORMATION—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity having to do with a judgment by the Ontario Court of Appeal on a motion as to whether a member of the legislature—and this applies, of course, to members of parliament—must disclose his confidential source of information.

The finding of the court was that information supplied to a member in confidence is not privileged from being revealed and, as the *Globe and Mail* points out in an historic landmark editorial in today's issue, the ending of protection against having to reveal confidential information given to members of parliament will pretty well put a stop to information being available. This is no criticism of the majority judgment of the court. That is the law now. But I ask leave, sir, to quote from the dissenting judgment of the Honourable Mr. Justice Weatherston. He said in part:

> It has long been a major part of his (a member's) responsibilities to intercede on behalf of his constituents who claim to be oppressed by governmental bureaucracy and to bring to the notice of the government cases where legislation is thought to be working unfairly . . . In all these cases the member may rely on information given to him in confidence. His effectiveness as a member may depend on confidences given and received, and the courts should respect those confidences unless the public interest clearly compels a breach of them.

This judgment, as I see it, will go a long way to emasculating parliament. Unless action is taken and legislation passed that members shall not be required to reveal their confidential sources of information, the lips of many Canadians will be sealed. All through the years I have personally taken the stand that under no circumstances would I reveal such information, and I think that is the general feeling of members of the House of Commons.

I would, therefore move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

> That this House assert the right of members to secure information confidentially and not be required, except in cases of treason or felony, to reveal the sources thereof.

Some hon. Members: Hear, hear!

• (1410)

Mr. Speaker: The introduction of such a motion for debate at this time, pursuant to Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Diefenbaker: The Deputy Prime Minister said "No".

* * *

VETERANS AFFAIRS

REQUEST FOR EARLY REVIEW OF WAR VETERANS ALLOWANCE ACT AND IMPROVEMENT THERETO—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the matter I wish to raise has been urgent for a long time, but there is increasing urgency for action to be taken before this parliament comes to an end.

Therefore, under the provisions of Standing Order 43, and seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), I move:

> That this House calls on the Minister of Veterans Affairs to present at an early date his promised review of the War Veterans Allowance Act so that legislation to improve the provisions and increase the amounts paid thereunder can be introduced and passed before the present session of parliament is ended.

Mr. Speaker: The introduction of such a motion for debate, pursuant to Standing Order 43, requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

PROPOSAL TO FAVOUR DEVELOPMENT OF INDUSTRIES IN AREAS OF QUEBEC ADJACENT TO UNITED STATES—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

S.O. 43

In view of the fact that the government of Maine is increasingly promoting wood cutting on its own lands; considering that this will affect several Canadian companies which hold permits for wood cutting on the American side and that eventually hundreds of jobs will be lost, I therefore move, seconded by the hon. member for Roberval (Mr. Gauthier):

That parliament urge the super Board of Economic Development Ministers to consider that problem and draw up policies furthering the development of industries in areas situated along the American border so that they will be in a position, when necessary, to offer jobs to Canadians who will become unemployed.

Mr. Speaker: The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, presentation of that motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

CENTRAL MORTGAGE AND HOUSING CORPORATION

CALL FOR AUDITOR GENERAL AND COMMITTEE INVESTIGATION OF OPERATIONS OF CORPORATION—MOTION UNDER S.O. 43

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In light of charges that CMHC operates on a system of patronage, and in view of a suggested lack of auditing control which is alleged to have resulted in millions of unaccounted taxpayer dollars being lost, stolen and mismanaged, I move, seconded by the hon. member for Selkirk (Mr. Whiteway):

That this House immediately instruct the Auditor General of Canada to undertake a detailed inspection of the financial management operations and computer operations of Central Mortgage and Housing Corporation for the preceding fiscal year and, further, that this House direct the Minister of State for Urban Affairs immediately to make a reference to the appropriate standing committee to investigate the alleged financial mismanagement and control practices of this Crown corporation.

Mr. Speaker: The presentation of such a motion for debate at this time requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Lambert (Bellechasse).]

SPORTS

CONGRATULATIONS TO CANADIAN WOMEN'S FIGURE SKATING CHAMPION—MOTION UNDER S.O. 43

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, under the provisions of Standing Order 43, and on a matter of urgent and pressing necessity, I move, seconded by the hon. member for Ottawa-Vanier (Mr. Gauthier):

That this House congratulates Janet Morrissey, the new Canadian women's figure skating champion, for her outstanding victory at Thunder Bay, the fourth woman from Ottawa to win this title.

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

* * *

CANADIAN BROADCASTING CORPORATION

FM STATIONS AT MAITLAND, ONT.—INTERFERENCE WITH TV AND RADIO RECEPTION IN AREA—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent necessity concerning my constituency, and particularly the establishment by the CBC of both English and French language FM stations at Maitland, near Brockville, Ontario, and the fact that the operation of such stations has drastically interfered with television and radio reception by hundreds of people living in the area, resulting in the closing down of such facilities temporarily by the CBC.

I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the government guarantee that such FM facilities will not be placed in full operation, other than for temporary testing purposes, until all technical difficulties have been ironed out, and that if such a thing proves to be, as it now seems to appear, impossible, that the government will order the CBC immediately to remove these two totally unnecessary white elephants which have cost taxpayers thousands of dollars.

Mr. Speaker: Is there unanimous consent for the presentation of such a motion?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

AIR TRANSPORT

DETERIORATION OF AIR SAFETY DUE TO DISPUTE BETWEEN AVIATION INSPECTORS AND TREASURY BOARD

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the Minister of Transport: it arises out of the very serious deterioration of air safety in Canada and the further erosion which has been caused by the current dispute

which has been going on between the aviation inspectors and Treasury Board.

This dispute has contributed to a large number of inspectors leaving their jobs, 60 to date; furthermore, members are leaving on a day to day basis, morale has been declining in this very important component of the air transportation industry, and that situation has deteriorated as a result of this dispute. There are clear indications that major violations are frequently occurring and are not being adequately investigated as a result of shortage of manpower. The most respected aviation trade magazine—

Some hon. Members: Order.

Mr. Speaker: Order, please. The hon. member should put his question.

Mr. Mazankowski: Mr. Speaker, it is very important to lay the groundwork and the foundation because—

Mr. Speaker: Order, please. It may be so, but only limited time is available in the question period so the hon. member should put his question.

Mr. Mazankowski: Since Canada's record of air safety has declined in performance and it is now thirteenth on the list of 18 nations in the world, having been in eighth place on that list, and since the Minister of Transport has over-all—

Mr. Speaker: Order, please.

Mr. Mazankowski: May I ask the minister, since the matter has been drawn to his attention on frequent occasions, what actions his department is taking to ensure, first of all, that the erosion of safety is reversed and, further, what action he has taken with respect to his cabinet colleagues in terms of specifically encouraging a settlement to the dispute which is causing the deteriorating factor?

Hon. Otto E. Lang (Minister of Transport): First of all, Mr. Speaker, I think it is unfortunate that the hon. member speaks about deterioration of safety in those generalized terms when he has no basis whatever for making the assertion.

I certainly agree that the group in these negotiations with the employer, the government, at the moment is a very important group in our air operations and I am looking forward to a settlement. These matters are under negotiation and, obviously, I would not comment on these negotiations either with regard to comments between myself and my colleagues or as between the parties.

Mr. Mazankowski: The facts are clearly stated in this very respected magazine and, indeed, by people in the minister's own department. On December 5, the Minister of Transport indicated that additional inspectors would be hired to perform this very important task. We now know that there has been a reduction of inspectors.

May I ask the minister why there has been a reduction in inspectors, rather than an increase to which he previously committed himself, and what action he has taken to fulfil the commitment he made in December of 1977?

Mr. Lang: Once again, the hon. member insists on distorting the situation terribly and I really think it is not very helpful. The commitment which I made in December of 1977 related to an increase in the number of inspectors in particular areas of the country. The increases have taken place and we have had far fewer complaints from those areas since that time.

Obviously, the whole question of how many inspectors we have is itself part of the argument and of the negotiation. Obviously, those people who form a part of this group are interested in making clear how important their work is, and magazines and statements may reflect that fact. I do not think the hon. member should be drawn into that kind of debate, any more than he should expect me to be drawn into it while negotiations are going on.

Mr. Mazankowski: Mr. Speaker, the hon. member is not distorting the facts, but simply drawing attention to the failure of the minister to fulfil his commitment: that is the fact of the matter. What is happening is that there seems to be a deliberate ploy or a deliberate attempt on the part of the federal government to downgrade the effectiveness and integrity of the inspection group.

In view of the fact that this is the most vital group in terms of the administration of air safety in this country, why has he not, first of all, undertaken to fulfil his commitment to strengthen and, indeed, provide more manpower, provide fair wages and clearly define his role, rather than allowing the group to deteriorate? Is that a specific government policy, is it by design, or is it by accident?

Mr. Lang: The hon. member thinks he supports his case by restating what is false in terms of any commitment on my part. It was a commitment in relation to the northern Ontario situation and the number of inspectors in that region, and that commitment has been carried out. So I wish the hon. member would stop stating these falsehoods and then coming back and repeating them.

● (1420)

The fact of the matter is that this is an important group. As well, the hon. member knows its negotiations and returns to it over the last several years were caught in particular rules under the Anti-Inflation Board program and that that created certain difficulties. Can these now be resolved? That is a matter which is precisely under negotiation at this time. Of course, the hon. member can be friends to everyone by stating irresponsible amounts which he thinks may be correct. Fortunately, he is irresponsible and I hope he remains that way.

Some hon. Members: Oh, oh!

SETTLEMENT WITH UNION TO AVOID FURTHER DETERIORATION OF AIR SAFETY

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, assuming the minister accepts the proposition that Canadians are entitled not only to safe air passage but to an awareness that they will fly safely when they are aboard aeroplanes, will he not respond to a very legitimate question and reassure Canadians and the particular inspection group that something will be done before the cautionary words of the union come to bear regrettable fruit in terms of a very serious accident?

Will the minister not do something, take some position and urge his colleagues to join him so that the prediction of the particular union, that the serious downgrading of safety inspection standards could lead to a serious accident, in fact will not take place?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, every activity has its risks and obviously no one can guarantee against that. If the hon. member is trying to lay some base that if there turns out to be an accident in Canada, it is related to this matter, he should know it is a rather wild generalization made in advance.

Of course I am concerned about safety in Canada. I am happy to say generally I can be very reassuring in terms of the performance of our airlines, our pilots and everyone operating the air travel system so that Canadians need not be concerned. On the other hand, obviously the question of the particular grievances of these individuals is under negotiation and must await the result.

Mr. Forrestall: Mr. Speaker, if the minister consults with his colleagues he will find negotiations, in fact, have broken off and that they have done nothing to correct it.

In light of the comments of the union arising out of this developing situation, what is the minister doing to reassure Canadians that, in fact, it will not worsen to the point where a serious accident could arise because inspection services are not being carried out adequately? That is the question.

Mr. Lang: Mr. Speaker, obviously inspection work and all important tasks in connection with it are ongoing.

Mr. Forrestall: All?

Mr. Lang: I hope the hon. member is not suggesting or voicing a threat that some of that will not be done as part of the bargaining process, whether or not the actual negotiations are going forward. I cannot meet all the various statements which may be made by people, but I can attempt to reassure the public they ought not to listen to the two hon. members who have attempted to raise the issue of safety as though there is some new problem of a serious nature in this regard.

An hon. Member: You are being irresponsible in this regard.

Mr. Lang: Indeed, Canadian levels of safety are very good.

[Mr. Lang.]

CONSUMER AFFAIRS

INCREASE IN PRICE OF BEEF—ACTION TO HOLD DOWN FOOD PRICES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the Deputy Prime Minister and President of the Privy Council. According to reports of this past weekend, beef prices in Canada will increase by a full 18 cents a pound by the end of this week compared to the price per pound of last week. This increase will be the most dramatic in the history of Canadian beef prices.

Keeping in mind the AIB announcement last week that food prices rose a full 19 per cent last year, I ask the Deputy Prime Minister when the House can expect to hear from the government on the promise of the Minister of Consumer and Corporate Affairs last week that the government intended to do something about constantly escalating food prices in the country.

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, like the hon. member, I read the weekend press which described the price paid for beef on Friday and the projected effect this price may have on retail levels. No one is certain, but I am not using that as a method of escaping from the prospect that beef prices indeed may increase.

● (1425)

As the hon. member knows, we have already taken steps to increase import quotas and to assist consumers who may be faced with rising prices. I have also read what the Minister of Consumer and Corporate Affairs said last week in the House, that in respect of a number of situations he would like to check them out and report back to the hon. member. I will attempt to ensure that this is done.

Mr. Broadbent: Mr. Speaker, these are the same promises of future investigations from the Deputy Prime Minister that we have received for the past three weeks from the Minister of Consumer and Corporate Affairs. In the meantime, prices keep going up, not down.

Has the government considered the implications of the report a few weeks ago of the Economic Council, which showed profits per unit of output in the food and beverage industry had risen some 65 per cent in 18-month period ending in the third quarter of 1978, and that profits during the same period went up to the "highest level in the last 15 years"?

Given that this is the clearest possible evidence of excess profiteering, and given the fact that the head of the agency which made this report said that in view of these profit increases, firms should show restraint in the months ahead, will the Deputy Prime Minister tell us what, specifically, the government plans to do to ensure that price restraint is exercised so that consumers will see some levelling off in these increases?

Mr. MacEachen: Mr. Speaker, it may be the hon. member, in referring to the increased level of beef prices, should bear in

mind that there is a delicate relationship between the supply of beef products and the consumer price. If he had read in more detail over the weekend, he would understand that one of the reasons prices are rising at the present time is because of a decrease in supply following a reluctance on the part of cattlemen in previous years, resulting from lower prices, to build up their herds.

The hon. member has to take a more balanced and broad view on price movements rather than just focusing on immediate consumer interests which are not the only interests involved in this situation. As I have said to the hon. member, we have taken some steps already during this current parliament to assist consumers in respect of increasing prices.

Having regard to the report to which the hon. member has referred, I regret to advise him that I have not read it, I do not have the statistics at my fingertips and I will not say that I have given consideration to the various statistical points he has made.

Mr. Broadbent: Mr. Speaker, the Deputy Prime Minister took a long time in giving an answer to the question I put to him in the first place. The question I should like him to deal with now is the broader one regarding food price increases.

The Economic Council of Canada has indicated that profits in that industry for the last 18 months, going into the third quarter of 1978, were up 91 per cent, and that price increases for the same period have gone up 65 per cent. The head of the institute that produced the study on behalf of the government indicated that measures should be taken now to keep prices down, because profits are very high.

I should like to ask the Deputy Prime Minister specifically in this area whether the government intends to bring forward particular measures which will respond to the requests that price increases be kept down in coming months because profits have already been excessively high in the past 18 months.

Mr. MacEachen: Mr. Speaker, the hon. member knows that if the government were to embark upon a new policy of price controls, that would be announced in the House in the normal way. It is not my intention, in replying to his question, to go down the garden path that has been laid out and described by the hon. member.

* * *

● (1430)

[*Translation*]

THE CANADIAN ECONOMY

EMPLOYMENT—REQUEST FOR STUDY OF CONSEQUENCES OF OPERATING U.S. SAWMILLS IN CANADA

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in view of the absence of the Minister of Industry, Trade and Commerce, I shall direct my question to the Minister of Regional Economic Expansion.

As our neighbours, the Americans, especially in the state of Maine, are using and sawing their lumber on American territory, which situation will eventually lead to a considerable decrease in sawmill operations on the Canadian side, and as this development can be foreseen even now, would the minister be willing to recommend to his colleagues of the new economic council that they look into this matter seriously and have talks with the American leaders, after which if the situation is confirmed and that policy is maintained, they set up new industries on the Canadian side of the border in order to be able, when the time comes, to offer employment to all those Canadians who will necessarily lose their jobs in the States?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, we are aware of the difficulties certain changes in the regulations governing the lumber industry on the American side are creating for our own Canadian industries, especially in the Bois Franc and Beauce areas.

I have met some of the industrialists concerned who acquainted me with the change in policy from which the problem stems. During coming negotiations, in agreement with the government, especially in this case, we shall have to examine how we could supply from other sources those industries whose operations involve the transformation of timber, and furniture in particular, so that they can get their supplies from other Canadian sources if they can no longer do so from American ones.

Mr. Lambert (Bellechasse): A supplementary, Mr. Speaker.

That is an excellent step and I hope it will be successful. But since there certainly will not be enough companies and industries to hire all workers, and as I am acutely aware of the situation, since it is also affecting my riding, and as the potential sources of wood are somewhat limited, I would like to ask the minister if, while he is studying the matter, he could look at the possibility of establishing a special policy, like the one that exists in other regions known as "designated areas", in order to further encourage small and medium sized firms, promote the creation of new ones and help us maintain our population, which is faced with a fairly heavy tax burden, at its present level.

Mr. Lessard: Mr. Speaker, I am very much impressed by the hon. member's representations. We cannot in fact think that our forest resources are limitless; indeed certain firms which use this prime resource will probably reach a ceiling of development in the next few years. That is why my department is actively searching out new firms using other resources than forestry. In the case, for example, of the Eastern Townships and the lower St. Lawrence, and we can also include the Chaudière region, there is an impressive rise of small businesses engaged in the processing of metals used for the manufacture of parts marketed not only in Canada but also in other countries, and I think this is a move in the right direction, which should allow us to come to grips with the issue raised by the hon. member.

[*English*]

PUBLIC SERVICE

SALARY INCREASE FOR CIVIL AVIATION INSPECTORS TO ACHIEVE COMPARABILITY

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is addressed to the President of the Treasury Board. On Friday, the President of the Treasury Board said they were currently in negotiation with this group, referring to the civil aviation inspectors. Today, the hon. Minister of Transport said that the government is in negotiation with this group. In fact, no negotiations are going on.

Is the Treasury Board prepared to make another offer to the civil aviation inspectors which will place them in a position of comparability, if not with the private sector then at least with those public employees with whom there ought to be comparability?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, as the hon. member is aware, the government has made an offer to the aircraft operations group, which it rejected. The last meeting was held January 30, 1979. We have asked them to substantiate the demands which they are making upon the government, as employer, but they have not responded. We have indicated that we are ready and willing to resume negotiations at any time, and it seems to me that the onus is now upon the union to respond to that invitation.

Mr. Fraser: Mr. Speaker, in view of the stated policy of the Minister of Labour that public servants ought to be paid on comparability basis, how can the President of the Treasury Board now stand and say that in the absence of any offer which gets close to comparability, whether with the private sector or the public sector, the onus lies upon the civil aviation inspectors to come up with a solution to the problem.

When will this paralysis, which apparently has taken a grip on three ministers of the Crown, end and when will we get back to a reasonable basis of negotiaton with the civil aviation inspectors upon whom the safety of civil aviation in Canada depends?

Mr. Buchanan: Mr. Speaker, the hon. member speaks of a paralysis. I suggest that he is leaving a very misleading impression with this House. During the three-year period of this union and its predecessor—which has been changed because it lost its certification—the government, as the employer, voluntarily gave to this group increases in excess of 38 per cent which were the maximum increases that could be granted under AIB guidelines.

There has been some dispute on AIB rulings. The case has been carried through to the administrator. In fact, today there is an appeal before the Federal Court asking for leave to appeal to the Supreme Court of Canada to deal with the ruling of the administrator.

To suggest that there is a paralysis situation is nonsense. Things are moving and we are asking the union to substantiate the demands which they have made. We have made our offer and they have rejected it.

The hon. member has raised the question of total compensation.

Mr. Fraser: Comparability.

Mr. Buchanan: There is a great deal of room for discussion on the question of comparability with this union as to the elements, the value they put on them, and so on. These are things which should be discussed.

In finishing, I would come back to the suggestion which I made last week, that I really do not think we should be endeavouring to carry on these negotiations across the floor of this House. The negotiations should be carried on between the employer and the employees.

Mr. Fraser: Mr. Speaker, my question remains. Apparently it is being avoided by the Minister of Transport, and now the President of the Treasury Board, as in the past it has been avoided by the Minister of Labour. My question is: why will the government not make an offer to this union on the basis of comparability? They can work it out any way they want, but will they make a comparability offer?

Mr. Buchanan: Mr. Speaker, that is right on: what exactly is the comparability? We are having discussions in negotiations as to what are the elements, what value they put upon them, and so on. Those are matters which should be discussed at the negotiating table. I concur wholeheartedly with the hon. member that that is precisely what should be happening. However, it should be done at the negotiating table, not here in the House of Commons.

* * *

CONSUMER AFFAIRS

INCREASE IN PRICE OF BEEF—STEPS TO PROTECT CONSUMERS FROM PROFITEERING

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is addressed to the Deputy Prime Minister and President of the Privy Council. As a result of the sharp increases in beef prices at the stockyard level last week, several of the major chains have announced that there will be an immediate increase in the price of beef this week of ten cents a pound.

Given the fact that medium-grade hamburger is already hovering around $2 a pound, and given the fact that the last time there was a substantial drop in beef prices it took three weeks for it to filter through the system, what steps has the government taken to ensure that there will be no profiteering at the expense of both the beef producers and the consumers?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have already answered that question in my exchange with the Leader of the New Democratic Party.

Mr. McGrath: Mr. Speaker, the Deputy Prime Minister did not answer that part of my question, but perhaps he has not been sufficiently briefed.

The Acting Minister of Consumer and Corporate Affairs, to whom I have already given notice, may be able to enlighten us further. What steps is the Department of Consumer and Corporate Affairs taking to ensure that profiteering is not taking place as a result of these sharp increases in the price of beef at the stockyard level and to ensure that prices will be allowed to work their way in an orderly manner through the system, which would take anywhere from two to three weeks? In other words, are they ensuring that no profiteering will take place?

I do not know why the acting minister looks so alarmed: his office was warned about it.

● (1440)

Mr. MacEachen: Mr. Speaker, with respect to the question asked by the hon. member dealing with profiteering, I am sure he would agree that the first step is to ascertain whether, in fact, excess profits are being made by the increased price of beef. Is the hon. member alleging, as his question would appear to allege, that in this particular case the beef producers of Canada are profiteering at the expense of the consumers?

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[*Translation*]

SOCIAL SECURITY

INQUIRY WHETHER PERCENTAGE INCREASE IN BENEFITS WILL BE SAME FOR ALL CANADIANS

Mr. Gaston Clermont (Gatineau): Mr. Speaker, I would like to ask the Minister of National Health and Welfare whether she is in a position to tell the House whether mothers who are now on welfare and who will be eligible for the refundable child tax credit will receive the same percentage increase in welfare benefits from the government of Quebec as other people who are on welfare?

Hon. Monique Bégin (Minister of National Health and Welfare): No, Mr. Speaker, and I think this situation is most serious and unfortunate. We were informed of this by those on welfare themselves because I did not receive an answer to the telegrams nor to the letter I sent to the province of Quebec. In fact, Quebec is one of the three provinces which have a statutory increase in welfare benefits. This province will give the full amount of the increase, half of it being paid by the federal, namely 9 per cent, to all those on welfare but, in order to recover the child tax credit, it will give only a 4.5 per cent increase to mothers with children.

[*English*]

SOCIAL SERVICES

REQUEST FOR CONTINUATION OF GRANT TO RAPE CRISIS CENTRES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare?

In view of the fact that the grant from her department to the National Assistor of Canadian Rape Crisis Centres will come to an end on March 31, and in view of the fact that the national co-ordinating work is done by the network headed by the assistor in terms of liaison between rape crisis centres on the one hand and police, social agencies and hospitals on the other, will the government give favourable consideration to the continuation of that grant beyond March 31?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, the welfare demonstration projects of my department are three-year projects. We fund them for three years only because the direct delivery of services must be assumed by the provinces. We are not in that business: the group knew that.

I have received a letter dated February 1 in which an extension is requested but a new submission seems to have been made to the department. I will not interfere with the usual review system, and I will follow the dossier personally to see if within the usual criteria we can help for an additional year.

Mr. Knowles (Winnipeg North Centre): A supplementary question. In view of the fact that the government's social services act is being dropped—and I am not complaining about that, for certain reasons well known to the minister—it changes the picture in terms of what the provinces might have been asked to do under that legislation.

In view of the fact that the work of some 30 or more rape crisis centres across Canada will suffer unless funds are available, bearing in mind that this is not only a health matter but that rape comes under the Criminal Code, will the minister do her best to see that the assistance available from her department will continue not only to the assistor but to rape crisis centres across Canada?

Miss Bégin: I shall take that into consideration, Mr. Speaker. Because we were going into a new regime of block-funding, I am not yet familiar enough with what the Canada Assistance Plan can or cannot fund on a 50-50 basis. I cannot say if centres like these could be considered.

As to the more general philosophy that we should make up for the loss of the social services bill, I shall consider favourably everything we can do to help.

Oral Questions

HOUSE OF COMMONS

RIGHT OF MEMBERS NOT TO DISCLOSE SOURCES OF INFORMATION—EFFICACY OF S.O. 43 PROCEDURE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, when Standing Order 43 was being discussed the government took the stand that it was a means whereby parliament would have an opportunity to make a decision.

Today, I made a very bad mistake. I regard the Deputy Prime Minister—or I have up to this moment—as a fine parliamentarian. I have had to amend that after my experience today. I sent him a copy of the motion I intended to move. Normally, there is a "No" group over there whose one source of expected preferment is to be able to say "I said no several times to motions under Standing Order 43." I imagine today that the only one who took that stand was that parliamentarian, the Deputy Prime Minister.

Some hon. Members: Order.

Mr. Diefenbaker: The rest of you were silent.

Mr. Dawson: I said "No" with pleasure.

Mr. Diefenbaker: Stupidity needs no identification.

Mr. Dawson: Is that respect for parliament?

Mr. Speaker: Order, please. I will have to ask the right hon. member to put his question.

Mr. Diefenbaker: I always like to answer interrupters, even though it is with great diffidence. I ask the Deputy Prime Minister, why did he take that stand today? What is the reason? Standing Order 43 has become a farce because of the attitude of the government. That is the reason I passed on to him early this afternoon the motion I intended to move.

I ask him, why did he take that stand today? I should like to know, because he must have been a student of philosophical innocuity to produce that "No" on his part.

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I shall have to work hard to be restored to the good opinion of the right hon. member in giving this answer.

I do agree that the question he raised is an important one. I did read the editorial in the *Globe and Mail* this morning—

Mr. Diefenbaker: It shows you keep up to date.

Mr. MacEachen: —and also the long preamble to his motion and the motion itself. I thought it was a matter of such importance that it should require a little more consideration than we had time to give it when it was read to the House. I had advance notice, but other hon. members did not have the same notice. I do not think the question ought to be dealt with that quickly.

Further than that, I wanted to discuss the legal implications of the motion with the Minister of Justice and the Solicitor General: what effect it might have upon, for example, security information. Not having been able to conduct these investigations, I thought it would be wiser not to deny the validity of the intent of the motion. That did not occur. All that did occur was a refusal to give the right hon. member an opportunity to put the motion. I could not give that because of the importance of the motion itself.

Mr. Diefenbaker: I never heard a more impressive collection of nonsense, Mr. Speaker, than we have now witnessed on the part of the hon. gentleman. In view of the warmheartedness that he expressed for the principle and the necessity of having further time for the giants in the cabinet to examine its implications, I give notice now that on Thursday or Friday, whichever date is more suitable and gives them the longest possible time, I will move it again, because I find it can be done.

I am very glad we are going to have the support of the minister, provided the other ministers do not show him the serious implications inherent in accepting something that, unless it is accepted, will deny parliament information. Every member here has letters from individuals saying, "Do not identify me or I will be destroyed." That is what I am trying to prevent.

* * *

ENERGY

CANADA'S ABILITY TO COPE WITH PETROLEUM SHORTAGE IN EVENT IRAN REDUCES OIL PRODUCTION

Mr. Ralph E. Goodale (Assiniboia): Mr. Speaker, may I put a question to the Minister of Energy, Mines and Resources with respect to the continuing crisis in Iran, and particularly the question of petroleum supplies from that country.

The United States is now actively considering the prospect of rationing petroleum products. Just this weekend, certain Iranian spokesmen were suggesting a permanent cutback of 40 per cent in production. Is Canada prepared to cope with a possible North American shortage of petroleum, either in co-operation with the United States or otherwise, and to what countries may we look for new sources of supply should that become necessary?

● (1450)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, the situation is serious. It is by no means a panic situation at the present time, but it is serious. We may well be facing reductions in supply in the coming months.

At the present time, the situation is still manageable. We are making every effort to ensure that there will be supplies for Canadian refineries in eastern Canada. We are looking to other sources of supply, particularly Mexico, to replace the Iranian production, and to Venezuela. Venezuela, of course, is under pressure from other countries. Venezuela has been our major supplier, supplying some 40 per cent of our imports. I

have received personal assurances from Venezuela that those supplies will continue to Canada. We are also working in Venezuela, trying to work out new opportunities with regard to heavy oils. That program is well under way between Petro-Canada and Petroleos de Venezuela.

As far as Mexico is concerned, again Petro-Canada will be the major player on behalf of Canada, working with the Mexican national oil company which handles all exports of oil from Mexico—Pemex. I believe these measures will help to assure Canadians of a continuing source of supply and reduce our dependence on Middle Eastern crude.

* * *

ADMINISTRATION OF JUSTICE

RCMP INVESTIGATION OF BOEING CONTRACT—REQUEST FOR PROGRESS REPORT

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is to the Solicitor General. I asked questions concerning the Boeing bribes in Canada on October 16, October 19, November 20 and November 21. The answers have run the gamut from "Wait", to "Be patient a little longer", and back to "Wait".

Can the minister tell the House if any progress has been made, and when we may expect charges to be laid? After all, from an even start India laid charges several months ago.

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I am pleased to advise the hon. member and, as well, I wish to state how pleased I am that he has pursued this matter over a period of time. I wish to advise him that the investigation has been completed. The judgment is that there are no grounds on which to lay charges at the present time.

Mr. McKinnon: This question goes back to the "sweetheart" treaty signed between Canada and the United States promising not to rat on each other if either government got in trouble over it. Is the minister now telling us that none is guilty of taking a bribe in Canada, a fact that was clearly stated in the SEC findings in the United States?

Mr. Blais: Mr. Speaker, the advice that I received was from the law enforcement agencies. They have completed their investigation. They found, upon investigation, that there are no charges to be laid.

* * *

VETERANS AFFAIRS

PRORATA PENSIONS FOR WIDOWS OF DISABLED VETERANS

Mr. Dan McKenzie (Winnipeg South Centre): In the absence of the Minister of Veterans Affairs, I will direct my question to the Deputy Prime Minister.

As the legislation now stands, widows of veterans receiving less than 48 per cent disability pensions are left without a pension. Will the Deputy Prime Minister tell me when he plans to bring in legislation to establish prorata pensions for these women, thereby implementing the recommendations of the Standing Committee on Veterans Affairs?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am aware of the provision of the Pensions Act upon which the hon. member bases his question. However, I have not had a chance to talk with the Minister of Veterans Affairs about this. I will draw the question to his attention. I am sure he will give it his usual sympathetic consideration.

Mr. McKenzie: The recommendations of the Standing Committee on Veterans Affairs were completed and forwarded to the government many months ago. Is the Deputy Prime Minister stating that none of these recommendations has been studied in cabinet? Can he give us some kind of commitment? Will he promise that he will bring forward legislation dealing with the recommendations in whole or in part before an election is called?

Mr. MacEachen: No, Mr. Speaker, I cannot guarantee that legislation will be brought forward during the present session. In the normal course, the minister involved makes a recommendation to cabinet on these matters. Until that recommendation is made, such reports are not normally studied by cabinet.

* * *

ADMINISTRATION OF JUSTICE

RCMP INVESTIGATION OF BOEING CONTRACT—INQUIRY WHETHER CANADIAN LAW BROKEN

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is supplementary to that posed by the hon. member for Victoria.

The Solicitor General said that no charges will be laid in the Boeing matter. Boeing has reported to the SEC in the United States that some payments were made. Will the Solicitor General advise whether the investigation found that any Canadian law had been broken?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, the information I have is that upon the investigation being completed there was no evidence of any wrongdoing that would lead to any charges. There was no evidence of any breach of the law by anyone involved in the dealings with the Government of Canada.

Mr. Clark: Can the Solicitor General tell us whether his investigations confirmed that payments were made by Boeing, as Boeing reported to the SEC in the United States? If they were made, can he tell us for what purpose they were made?

Mr. Blais: Mr. Speaker, I have no indication that any improper payments were made, or of any payments that could

have been made which would have been in breach of any law of Canada.

* * *

FISHERIES

NOVA SCOTIA—DEPRESSING OF PRICE PAID TO INSHORE FISHERMEN

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Fisheries and the Environment arising out of representations made to me by some inshore fishermen in Nova Scotia and about which I wrote to the minister.

Can he assure me that there is real competition between fish buyers in Nova Scotia, and that no parties in the industry are artificially depressing the price paid to inshore fishermen for groundfish and lobster?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I do not know to what extent I can give that assurance, except to say that I am concerned about the degree of concentration in Nova Scotia, particularly in areas where fishermen have very few alternative counters at which to sell their fish. This is one reason why I have been actively promoting fishermen becoming organized.

Mr. MacKay: I appreciate the minister's answer. Would he consider consulting the Minister of Employment and Immigration with regard to encouraging inshore fishermen to market their own catches, and perhaps facilitating changes in the unemployment insurance regulations to encourage this?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I had not heard that this was an issue. We have co-operatives where fishermen do their own marketing through their organizations. If a regulation prohibits fishermen from protecting their own interests, I am sure my colleague and I can find some arrangement.

* * *

AIR TRANSPORT

USE OF EMERGENCY LOCATOR TRANSMITTERS IN AIRCRAFT

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Transport. In December, 1977, a jet crashed at Churchill Falls, resulting in the loss of eight people, two of whom died of exposure because the aircraft was not discovered for 48 hours, despite the fact it was only a mile from the runway. There was no emergency locator transmitter aboard, because DOT had ordered them removed.

Can the minister advise whether the Deprtment of Transport has ordered all Canadian and civil aircraft to again start using emergency locator transmitters, or what is the situation in that regard?

[Mr. Blais.]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the situation is now one of some ability on the part of aircraft to use transmitters, particularly if they are of the type that is safe.

The hon. member knows the reason for discontinuing their use. It was the discovery that the lithium batteries in the transmitters were, in fact, themselves a source of danger and could have been the cause of accidents. In order to avoid that happening, they were removed. Work has been done on finding batteries that are satisfactory. There has been some progress, although not yet enough to ensure that there will be an ELT on every aircraft.

Mr. Crosbie: As the minister probably knows, there has been a magisterial inquiry under way in Newfoundland into the deaths from that crash. Captain Powick of the Search and Rescue centre at Halifax stated at that time that he knows of no dangerous incident involving military aircraft, and that it is costing the taxpayer millions of dollars to search for aircraft that do not have ELTs on board. He said he could see no reason not to have ELTs aboard aircraft, that sufficient time has elapsed to find a suitable replacement for the lithium battery.

• (1500)

What is the minister's department doing? A year has gone by, and anybody who travels on an aircraft today has his life in jeopardy, if he survives a crash, because there are no ELTs on these aircraft. When will the minister show a sense of urgency about the installation of ELTs? They have them in the United States without lithium batteries. When does the minister propose to act?

Mr. Lang: The hon. member says they have them in the United States without lithium batteries. The problem in Canada which made special batteries necessary is the extremely cold weather which is much more common in this part of the world than it is farther south. Perhaps the hon. member does not know that. In Canada, these batteries must be able to work under a variety of conditions, including temperatures well below zero. It is this which led to the search for new batteries to replace the lithium batteries. Obviously, technological development can be forced only so far, but some batteries of an improved kind are now being made and some are available. However, we are not yet at a point at which we can require that every aircraft instals them.

The hon. member told us someone had said he knew of no incidents. Well, our department does know of some incidents and they have been quoted in answers given in this House: lithium-powered batteries have actually exploded in aircraft, becoming such a clear danger that they had to be removed. No amount of protestation on the part of the hon. member will alter that fact.

SOCIAL SERVICES

HOME SERVICES FOR SENIOR CITIZENS—FUNDING THEREOF

Mr. David Crombie (Rosedale): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In light of the decision to withdraw Bill C-55, the social services financing act, has the minister any plans to mobilize or offer support to the voluntary agencies in the provision of home services to senior citizens along the lines of her speech of October 14—A New Deal for the Aged.

Hon. Monique Bégin (Minister of National Health and Welfare): The hon. member who now seems to be interested in the development of social policy should have followed this situation when it developed and talked to his own provincial minister of finance in Ontario, one of the leading provincial finance ministers, who helped kill Bill C-55.

Mr. Crombie: Mr. Speaker, my concern was not the apportionment of blame. Specifically, a number of people are concerned about the three programs which the minister mentioned in her speech—meals on wheels, health visitors, and home helpers. Has she any plan to obtain support from voluntary agencies with respect to those programs?

Miss Bégin: I do not understand exactly where the hon. member wants to go, but if he wants to make a representation to the minister of social services in Ontario, asking him to back projects for the community in Toronto or elsewhere, I shall be pleased to ensure that at this end we shall pay the 50 per cent which is the federal share.

Some hon. Members: Hear, hear!

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POINTS OF ORDER

MR. McGRATH—REPLY OF DEPUTY PRIME MINISTER DURING QUESTION PERIOD

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a point of order having to do with a question I put to the Deputy Prime Minister today following a question which had been raised by the Leader of the New Democratic Party. It had to do with the question of profiteering. The Deputy Prime Minister took the opportunity to twist my question around; uncharacteristically he imputed motives to me by accusing me of saying I was accusing the beef producers of profiteering.

The whole thrust of my question had to do with the sharp increase of stockyard prices for beef last week and the report in the weekend press by two of the leading supermarkets that beef prices would rise by 10 cents a pound as of Monday. We are told it takes anywhere from two to three weeks for beef prices to work their way through the system, as was the case last June when beef prices went down; it took three weeks for the decrease to reach consumers. My question was: What steps is the government taking to ensure that no profiteering is

taking place at the expense of either producers or consumers? We have set up a centre for the study of productivity. I had hoped the Deputy Prime Minister would refer my question to that body. The acting minister, who appeared to be in a state of shock when I directed my question—

Mr. Speaker: Order. The hon. member is aware, I am sure, that he has been airing a grievance about the answer given to his question and the treatment his question received during the question period. He has not come close to establishing any disorder; he has not advanced any procedural argument. If he has a point of order he has yet to persuade me that this is the case. Otherwise, I would be bound to permit everybody who did not like the answers they got during the question period to make similar use of this time.

Mr. McGrath: I believe I do have a point of order, Mr. Speaker, and I raise it with great respect. You, sir, in your conduct of the question period, impose severe restrictions on hon. members asking questions, and rightly so. My point is that the same restrictions should be imposed on ministers when they reply. Otherwise, what happens? We had the example today of the Deputy Prime Minister making a cheap shot, knowing full well that somebody else would be recognized.

I did not state or impute in any way that profiteering was going on by beef producers. I was asking the minister to assure us that the government was taking steps to make certain that there was no profiteering taking place in the marketplace as a result of what happened last week to stockyard prices for beef. Surely there is a question of disorder involved here because the Deputy Prime Minister imputed motives to my question though there was no such suggestion in the question I asked. If Your Honour would take the time to examine the record I believe you would find that my point of order is valid.

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, I assure the hon. member that I did not intend to impute motives. I believe I concluded my statement by asking him a question. The question was whether he was alleging that the beef producers were profiteering. The hon. member has stated that he was not making any such allegation. Because, in my appreciation of the situation, the only marketplace in which any profiteering could have taken place up to the present time would have been the sales at Toronto, that is why I asked the question. Further, I thought I had assured the hon. member that the government would be monitoring the situation and that if profiteering is established it would consider what steps should be taken.

MR. MAZANKOWSKI—STATEMENT OF MINISTER OF TRANSPORT

Mr. Don Mazankowski (Vegreville): A point of order, Mr. Speaker. In response to a question I directed to him the Minister of Transport (Mr. Lang)—and I am sorry he has left the chamber—suggested that I was irresponsible and that I was distorting some of his previous statements. The issue revolves around a statement he made in the House on December 5, 1977, having to do with the hiring of additional inspectors and the interpretation to be placed thereon.

Trade Practices Commission

I realize the minister suffers from memory lapses from time to time but because a charge has been levelled against me I think I should attempt to set the record straight at the earliest opportunity. In response to my question the minister suggested that he undertook only to provide additional air navigation inspectors for the northern Ontario region. That undertaking may well have been met; as I understand it, it was met by the transfer of inspectors from other regions. But the quotation which I believe puts the commitment in its proper perspective is to be found at page 1534 of *Hansard* of December 5, 1977. The minister stated as follows:

I have instructed that additional inspectors be hired and a significant number of them made available to the north.

Today the minister suggested he had given an undertaking to provide more inspectors only to the northern Ontario region. I read his commitment as being one to hire additional inspectors. The fact is there are fewer inspectors today than there were on December 5, 1977. I know the minister is very touchy and sensitive on this important matter. It is obvious there is a memory lapse on his part and that he does not have a full grasp of the situation; otherwise he would have answered my question properly.

Mr. Speaker: I will leave that matter in abeyance and see whether the minister has any response to make. I take it the point of order the hon. member is raising has to do with some answer the minister gave having to do with some suggested attempt by the hon. member to distort the minister's position, which the hon. members now disputes. We will first determine whether there is any response from the minister on that point.

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Minister of Transport is attending the federal-provincial conference on the constitution. I am sure that when he returns to the House he will clear up these unfounded allegations made by the hon. member.

● (1510)

ROUTINE PROCEEDINGS

[*English*]

RESTRICTIVE TRADE PRACTICES COMMISSION

TABLING OF REPORT ON OPHTHALMIC PRODUCTS INDUSTRY

Hon. Len Marchand (Minister of State (Environment)): Mr. Speaker, on behalf of the Minister of Consumer and Corporate Affairs (Mr. Allmand) I wish to table under Standing Order 41(2), in both official languages, the report of the Restrictive Trade Practices Commission entitled, "The Ophthalmic Products Industry in Canada".

[Mr. Mazankowski.]

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, the following questions will be answered today: Nos. 587, 593, 648, 743, 842, 855, 890 and 900.

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

[*Text*]

SEAL HUNT

Question No. 587—**Mr. Whiteway:**

1. What was the total cost to the government of producing the brochure (a) The Seal Hunt (b) The Seal Hunt: Questions and Answers and, in each case, how many copies were (i) printed (ii) distributed?

2. Were any protests received by the (a) Prime Minister's office (b) Department of Fisheries and of the Environment (c) Department of External Affairs through Canadian Embassies and Consulates, protesting seal hunts and, if so, in each case (i) how many (ii) from which Embassies and Consulates?

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): I am informed by Fisheries and Oceans, the Department of External Affairs and the Prime Minister and Privy Council's Office as follows:

1. (a)	Cost	No. Printed	No. Distributed
The Seal Hunt	$71,717.62	230,000 (190,000 English 40,000 French)	230,000
(b) The Seal Hunt: Questions and answers	$10,890.81	185,000 (150,000 English and 35,000 French)	127,000

2. (a) None.

(b) Approximately 8,250 letters of protest were received between April 1, 1977 and November 17, 1978.

(c) Yes.

(i) No accurate count of the number of persons involved in these protests has been kept.

(ii) Nearly all Canadian diplomatic and consular missions in Western Europe, the United States, Australia and New Zealand reported protests.

INDIAN PEOPLE ON RESERVES

Question No. 593—**Mr. Holmes:**

How many Indian people on reserves were receiving welfare on March 31 (a) 1971 (b) 1978?

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development): (a) 72,924 (This figure is incomplete

as two regions no longer have records available for the year 1971) (b) 98,094.

NEW FIGHTER AIRCRAFT

Question No. 648—**Mr. McKinnon:**

Did Chancellor Schmidt personally or some of the other bidders ask for a few more months beyond the August 1 deadline to improve their bids on the NFA contract and, if so, which companies submitted additional proposals after August 1?

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): I am informed by the Departments of External Affairs and National Defence as follows: No.

DREE—FREDERICTON INDUSTRIAL PARK

Question No. 743—**Mr. Howie:**

On December 31, 1977, were small industries located in the portion of the Fredericton Industrial Park situated in Sunbury County, eligible for assistance under the Small Industries Financial Assistance Programme financed by DREE and, if so, does such eligibility still prevail and is any change advocated by DREE?

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply of the Department of Regional Economic Expansion is as follows: No industries were located in the portion of the Fredericton Industrial Park located in Sunbury County at December 31, 1977. Sunbury County is one of nine counties in New Brunswick eligible under the Small Industries Financial Assistance Program. Revised boundaries for eligible areas are under consideration by the Department of Regional Economic Expansion and the province of New Brunswick.

FISHERIES AND THE ENVIRONMENT—PROJECTS IN RICHMOND

Question No. 842—**Mr. Beaudoin:**

1. Since 1968, did the Department of Fisheries and the Environment finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Mr. Jack Pearsall (Parliamentary Secretary to Minister of Fisheries and the Environment): In so far as Fisheries and Oceans is concerned: 1. No.

2. No.

EXTERNAL AFFAIRS—PROJECTS IN RICHMOND

Question No. 855—**Mr. Beaudoin:**

1. Since 1968, did the Department of External Affairs finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): 1. Pursuant to its program mandate, which relates to foreign operations, the Department of External Affairs does not normally finance domestic projects. Also, departmental expenditure records are not maintained by region, municipality or constituency. Therefore, statistical data on expenditures by constituency is not available.

2. No.

DREE—OFFICES AND EMPLOYEES IN NEW BRUNSWICK

Question No. 890—**Mr. Howie:**

On December 1, 1978, how many (a) offices (b) employees did DREE have in New Brunswick?

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: (a) Three. (b) 162.

DREE OFFICE—FREDERICTON, N.B.

Question No. 900—**Mr. Howie:**

1. For the fiscal year 1977-78, how many applications for assistance were received by the local DREE Office in Fredericton, New Brunswick?

2. How many were (a) approved (b) rejected (c) undecided?

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: Under the Regional Development Incentives Act: 1. Ninety-one.

2. (a) Forty-nine. (b) Six. (c) Nil. (Thirty-six applications were withdrawn by the applicants).

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[*English*]

POINT OF ORDER

MR. COSSITT—DELAY IN ANSWERING QUESTIONS

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a point of order in regard to the great number of questions which have been on the order paper for a lengthy period of time not only in this session but also in other sessions. This is the only recourse a member of this House has to draw questions to the attention of the House, and I hope that the Deputy Prime Minister (Mr. MacEachen) or his parliamentary secretary will take action in this regard.

I would like today to draw attention to four specific questions which are on the order paper in my name. I refer first to one which was placed there two years and eight months ago. It is a very simple question. It asks simply how many members of the Canadian Transport Commission and their wives have Air Canada passes. I do not see why it should take two years and eight months to compile an answer to such a simple question. The question to which I refer is question No. 4.

Question No. 5 concerns the office of the Prime Minister (Mr. Trudeau). Three years ago I asked for a breakdown of the $86,703 of public funds which had been spent on the office

of the Prime Minister. I raised this matter on a point of order one year ago. At that time two years had gone by and the question was not answered. The Prime Minister replied to this effect: "Let it be made public; put it in all the papers, I don't mind". After three years the answer is still not forthcoming.

The third question to which I would like to refer is question No. 9 dealing with the fingerprinting of public servants. The question asks how many have been fingerprinted. I know that the number would be very large. The question also asks why this invasion of privacy is taking place with regard even to those who are not engaged in jobs of a security nature. In such jobs such a procedure might be understandable, but that question has been on the order paper for two years, and it remains unanswered.

Finally, question No. 10 has been on the order paper one year and seven months. It deals with Martin Goldfarb and Goldfard Consultants of Toronto. The question deals with what contacts they have had with the government or with any government department regarding government business. I am not asking about the hundreds of thousands or millions of dollars they may have received from the Liberal party, just from the government. That question has been unanswered for one year and seven months.

There are other questions, and I think I have the right as a member of this House to rise each day I am here and draw attention to two or three questions which have not been answered. Today I have drawn attention to four.

The parliamentary secretary might rise in the tradition of his predecessors and point to the great percentages and tremendous work which has been done in answering questions, but I do not care whether 87 per cent, 88 per cent, 89 per cent or 90 per cent of questions have been answered. If hon. members opposite are avoiding questions which would embarrass the government on the eve of an election, I think it is high time the people of Canada realized the sham which is being perpetrated by this government.

Will the parliamentary secretary rise now and tell me when these four specific questions will be answered? After three years I think I have a right to know.

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, in response to the hon. member I think I am technically correct in saying that these questions have been on this particular order paper since October 11 of last year. Whether they have been on other order papers of other sessions is a very different question. We are attempting to answer questions which have been put on the order paper in this session. The ones mentioned by the hon. member are dated October 11, and I see other more recent ones dated in November and December. If the hon. member wishes to convey to me or through me to my colleague, the Parliamentary Secretary to President of the Privy Council (Mr. Pinard) which of those four or five questions out of the few dozen which he has on the order paper he would like responded to most quickly, I will be happy to take that as notice.

[Mr. Cossitt.]

I only wish that when the hon. member brings forward these questions he might also take into consideration the fact that a question such as question No. 9 involves checking with dozens of different government departments and agencies. It would involve going through almost every file to check on how many of the some 300,000 civil servants have been fingerprinted. That is an unbelievable task, and the hon. member knows that.

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

HEALTH RESOURCES FUND ACT

MEASURE TO AMEND

The House resumed, from Friday, February 2, consideration of the motion of Miss Bégin that Bill C-2, to amend the Health Resources Fund Act, be read the third time and do pass.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, when the debate adjourned on Friday I was dealing with the impact which the cutback in the health resources fund would have on the Rehabilitation International Congress which is scheduled to be held in Winnipeg during June of 1980. I complimented the minister for her attempts to deal with a very difficult situation in the face of the cutbacks which suddenly appeared following the television address of the Prime Minister (Mr. Trudeau) on August 1.

The minister actually has a double problem because she is carrying the torch for promises which were made by her predecessor, the Minister of Justice (Mr. Lalonde), who for a period of some five or six years when he had the responsibilities of minister of national health and welfare raised the level of expectation to unprecedented heights. Let me quote from a speech the hon. gentleman made on May 30 of 1973 in which he said that under the new social services legislation rehabilitation was to be given top priority to promote the principle of self-reliance among the handicapped. He said that governments and voluntary groups for too long had introduced programs which promoted dependence rather than independence. The minister stated, and I quote:

> The handicapped have the right to be as independent as possible, the right to live like everyone in the community and the services they need to bring this about should be provided.

This refers to a question which the hon. member for Rosedale was asking just a moment ago with respect to the cutback in home care services for the disabled. Then later on in his speech the former health minister spoke about a conference which was held by the disabled themselves.It was one of the first conferences at which the disabled were provided the opportunity to speak for themselves and to express their wishes. The conference was funded by the federal government

and sponsored by the Canadian Rehabilitation Council for the Disabled. Here is the message that came out of this conference:

● (1520)

In every area the message was clear: They "wanted in": into employment, into community living, into maximum participation in community life, into the planning of systems and services designed to help them. At the same time they "wanted out": out of institutions, out of dead-end sheltered workshops, out of welfare, out of being pitied, out of being thrust on to the sidelines with a pension and a shrug.

This is a quotation from a speech which was delivered by the former minister of national health and welfare back in 1973.

One of the main problems with which the minister is wrestling as she faces a cutback in this important area is the necessity of providing adequate personnel resources. In a document which was tabled as Appendix "B" last November 27, at page 1555 of *Hansard*, we have some very revealing facts with respect to the inability of Canada to provide trained personnel resources to deal with the growing problems of rehabilitating the physically and mentally handicapped, and this is one of the most expensive areas of concern in the whole health and welfare fields.

Looking at the document which was tabled by the minister and printed as an appendix to *Hansard*, we find that it states that the number of biomedical engineers who had graduated in 1966 was 14; in 1976, some ten years later, that number had only increased to 39. The demand, of course, is far beyond that number. But what is even more revealing is the fact that occupational therapists who play a large role in the rehabilitation process numbered 78 in 1966, and in 1976 there were only 237 of them. I compare this with 3,800 nursing assistants in 1966 and 5,500 nursing assistants in 1976. You can see that the level is quite low by comparison, Mr. Speaker.

Physiotherapists, who are right on the firing line in rehabilitation, numbered 232 in 1966 and 446 in 1976, as compared to 880 physicians in 1966 and 1,700 in 1976. So the time of fully trained medical doctors has been taken up in areas which could be delegated to paramedics such as physiotherapists.

There are no figures available for the training of doctors in physical medicine or physiatrists, so I presume they are not being trained anywhere in Canada, and of course an ordinary MD has great difficulty in coping with the particular demands of rehabilitation.

I had an interesting exchange of correspondence recently in company with the hon. member for Hamilton West (Mr. Alexander) regarding the case of a young chap who is not a Canadian and had come from another country. He was taking his doctorate at the Chedoke Rehabilitation Centre at McMaster university in a very highly specialized field in the rehabilitation movement. He was being trained in the field of biomedical engineering with a special focus on studying human locomotor function and applying external electrical stimuli to activate paralysed muscles. This work is quite unique in Canada, in the world as a matter of fact, and actually this particular specialist is one of his kind in the world. So hon. members will see that we have a long way to go in training personnel in the rehabilitation field. It became necessary to approach the Department of Employment and Immigration, and this gentleman will be allowed to stay in Canada following his graduation and to serve in this way. But he is only one and we need hundreds of similarly trained personnel. Of course, there will be a setback in this area as a result of the cutback in the resource funding.

Another thought I have in this area is that the whole field of geriatrics will be affected, the special care that is required for our senior citizens. They are a rapidly increasing percentage of the population; 15 per cent of Canadians will be in the geriatric age group by the end of the present century, and obviously with the slow progress we are making, we will not be prepared to meet the special health and welfare requirements of a senior citizen population. They are affected by all sorts of crippling diseases and disabling afflictions, and when you do not have personnel specially trained to deal with these problems, they constitute a crippling demand on health and welfare resources.

This is where one of our problems lies—the escalating cost of providing these services and meeting these needs at present. Insitutional care is not the answer, but this has been the answer we have unconsciously given in meeting this problem. Some of these institutions are referred to as human warehouses. What we want are the facilities, the home care, meals on wheels and attention in the home that will make it possible for the disabled person, the handicapped person and the older citizen to have the benefit and the warmth of a home environment rather than eke out an existence in these cold human warehouses. We want to be able to add life to the years of Canada's disabled.

Let me conclude my remarks by saying that the whole emphasis of the Rehabilitation International Congress in Winnipeg in June, 1980 will be precisely on the points I have raised. The theme of the congress will be prevention and integration, the priorities for the 1980s. These are the areas where Canada is falling down because of the misplacement of our financial priorities. We could prevent a lot of crippling and disabling diseases if only we aimed our emphasis, our priorities, in the right direction.

There will be six preliminary seminars at the congress which will deal with major areas of concern. The seminar on special education will take place in Vancouver. The medical seminar will be in Kingston, the social needs seminar in Winnipeg and the organizational need seminar will also be in Winnipeg. In Toronto there will be a technical aid seminar which will be joined by the inter-agency from the United States and will bring together some 1,500 people to deal with the biomedical aspects of the rehabilitation movement. Toronto will also have a seminar on the vocational needs of Canada's disabled population.

Canada was fortunate to get the congress. I was privileged to be with the invitation committee which travelled to Tel Aviv in Israel in June of 1976 where we attended the Rehabilitation International Congress. There was pretty stiff competition, but the reason Canada was awarded the 1980 congress was that

we could guarantee there would be a great breakthrough in social services for the handicapped.

● (1530)

I read some of the speeches of the hon. member for Outremont concerning all the wonders which were just around the corner. As a result of that presentation Canada was selected, but unfortunately all we have at present is great hope and expectations. We can get it all together. As I said the other day, the minister has written to me indicating the problem in this regard and her support for the motion which I put before the House namely that we constitute a special subcommittee of the Standing Committee on Health, Welfare and Social Affairs to gather pertinent information from the voluntary organizations and have a report ready for the congress in 1980.

In December, 1977 I was privileged to go to New York and speak on behalf of Canada in support of the motion declaring 1981 as rehabilitation year. That motion was accepted unanimously, so that rehabilitation international year will flow out of the 1980 congress in Canada. The role of Canada is very large in all these areas, and of course the reputation of Canada is at stake. We must have something very concrete, not only in terms of hope and expectation, but also in terms of legislative proposals. Britain is ahead of us. It has had special legislation since 1971, and now has a minister of state for rehabilitation. We have a long way to go even to match that kind of progress.

I recognize the problems which the minister has as she struggles valiantly to meet the problems created by the sudden reversal of the Prime Minister in funding respecting health and welfare measures, and I should like to make some specific proposals. I hope we will get the subcommittee together as soon as possible in order to gather public sentiment and opinion in preparation for the time when it will be possible to proceed with the legislation. I trust the minister will be able to reconstitute the rehabilitation unit which existed at one time in the Department of National Health and Welfare. It was disbanded because we were moving toward the dawn of the new age respecting rehabilitation matters, as was promised by the hon. member for Outremont in his speeches a few years ago. We were to do away with some of the existing legislation and co-ordinate it under the new social services act.

There are excellent personnel in the Department of National Health and Welfare. I have met them at various conferences. They are competent in the field of rehabilitation. In a letter written on December 5, the minister indicated that it was her intention to reconstitute the rehabilitation unit. I hope people such as Andre LeBlanc, who has had broad experience in this field and has left it temporarily because of the disintegration of the rehabilitation unit within the department, will be called back into service, particularly in preparation for the 1980 congress to be held in Winnipeg. Also I trust it will be possible to have an advisory committee composed of representatives from the privte sector who are providing leadership in this field at the moment. They are ahead of the government in meeting the various needs. I hope an advisory committee will come out of the committee investigating the state of rehabilitation arts in Canada as it moves across the country to hear representations from these people. It could advise the government on how to cut down the huge expenses and waste involved in meeting the needs of our handicapped population because of the lack of co-ordinated policies.

I hope the government will provide a resource centre upon which professionals in the field can call to obtain databank information on all available technical aids. The information centre could co-ordinate all activities and avoid costly duplication to taxpayers as various groups attempt to meet the very difficult problems of rehabilitation. I hope the health resources fund will be built up to such an extent that it will be possible to provide personnel. As I indicated a moment ago, the personnel training program is totally inadequate to provide the needed expertise. We require a sense of direction, rather than an ad hoc approach to fundamental health and welfare programs which are on again and off again, stop and start. Such programs only confuse and add to the waste in meeting needs.

We require a stable long-term program which will last at least three to five years. This is why I say the present program is quite inadequate. It is not good enough for the government to keep changing direction, to raise the hopes and expectations of the people who have held out for the past seven years awaiting a new social services legislation which would meet their needs adequately. This has not been done and this is why we criticize the program at the present time.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I have listened with a great deal of interest to the contributions over the last few days respecting the legislation before the House. I believe this particular matter is one of the most important to occupy our attention. When we consider all the assets of life, health is one of the most important.

I should like to deal with the proposal of the government to eliminate the health resources fund. This has caused a great deal of dismay, not only in the Canadian medical community but in the respective provinces and among the public at large.

As this debate continues, there is a tendency to forget the details and the background information on the Health Resources Fund Act. The Health Resources Fund Act was established under the Pearson administration and given Royal Assent on July 11, 1966. At that time the government perceived a need for funding certain types of research in the medical field, teaching, medical and laboratory equipment, and research facilities in Canadian universities and hospitals. The fund was set up and $500 million was allocated and disbursed over a 15-year period as follows: $300 million to the provinces on a per capita basis; $25 million to the Atlantic provinces for joint projects; $175 million to be allocated by the governor in council for particular projects. Approximately $400 million has been spent. About one-fifth of the fund went to medical schools and major purpose buildings in the health science complex. Another one-fifth went to university hospitals. Some money went to affiliated hospitals. Approximately $23 million was contributed to dental schools with $76 million to nursing schools, auxiliary schools and other health and manpower training centres.

● (1540)

To my mind and to the minds of a great many Canadians, this fund was worth while and the money was well spent. By cancelling the health resources fund the government has stated it will save $84 million over a period of 2 years. The minister agreed both at the second reading stage of this bill and at third reading that the fund had been worth while and had done a lot of good for the people of Canada. After devoting a major part of her speech on second reading to saying how great the fund was, she then announced it was to be cancelled. The logic of this leaves one baffled. This was pointed out by my colleague, the hon. member for Athabasca (Mr. Yewchuk), at second reading stage when he stated that either the fund is good and deserves support or it is bad and deserves to be cancelled. We find a paradox in that the minister says it is good but it is to be cancelled.

I think one of the reasons that she has taken this position was set out in her speech a few days ago when she said the objectives of the program had been completed. In the course of the debate several of my colleagues have pointed out activities in various areas which have either been left unfinished or untouched in this field of endeavour involving the delivery of health care.

As we listened to other speakers we came to the conclusion that possibly the minister was speaking without a full understanding of the facts or in some way had missed the point of some of the legislative programs. Without question there are areas which have been left untouched, and there are groups of people, segments of our population, that have not been the recipients of adequate health delivery care. For these reasons we feel it is highly inappropriate at this time that this particular program should be eliminated. I would suggest that of all the places to cut expenditures, this type of program should be one of the last.

During the debates throughout the past months we on this side of the House have advised the government that if it is really interested in making some meaningful cuts in expenditures and trimming the expensive fat from its operations, it should pay more attention to the recommendations, observations and comments made in the Auditor General's report. Unfortunately, instead of doing that the government is moving in other directions, eliminating or reducing programs which have a direct bearing upon the personal needs and lives of individuals. This is very unfortunate because in doing so the government is leaving certain people and groups without the essential services necessary if they are to maintain adequate health and serve our country in a productive fashion.

As we consider this particular measure today it is reasonable, and certainly understandable, that we should take so much time in calling attention to the injustices of this cancellation, pointing out ways in which other expenditures can be cut without bringing to an end programs which have been of such importance to the people and the country.

One well-known expert in the area of medical research, for instance, has made a study that clearly shows that, for every dollar invested in research today, $20 will be saved in ten years' time through dramatically reduced health costs. The cutting of research projects in any field does not necessarily save money, but it does in many cases increase the cost to the taxpayer or the individual citizen in Canada.

My colleague the hon. member for Athabasca cited a number of examples of this fact when speaking during another stage of the debate. Let me just refer to one of his statements. He said that it cost $41 million to develop the polio vaccine. That was the total cost. Since polio vaccine has been in use in Canada, beginning in 1955, Canada has saved $200 million per year in medical and health care costs. This is just one piece of successful research that has saved this country more than four times the total expenditure for research in each year since 1955. How can this government in the name of restraint downgrade medical research in such a way?

Some of my colleagues have referred to areas where medical research has not been provided the people of Canada. Reference has been made to the action of the minister and the government in respect of medical care for native people. I noticed that in one instance it was reduced, the next time it was increased, and then it was reduced again. It seems illogical that in an important area, such as this there should be an on-again, off-again, here-again, gone-again, "Flannigan" attitude toward medical care for our native people.

Just yesterday I picked up a publication called "Circlet" put out by the Union of National Defence Employees. The main article on the front page under the heading "Keep health units, Power says", states in part:

> The Union of National Defence Employees is in the forefront of efforts to fight a reduction of health services to federal public employees across the country.
>
> As part of Ottawa's announced restraint program, the Department of National Health and Welfare has announced it is closing a number of health units and is cutting back on the number of man-years for some others. At some Department of National Defence bases, nurses will be available for only part of each week.
>
> The health and welfare department says that each department will be expected to take up the slack by improving available first-aid services.

Then the article refers to a statement of Mr. Joe Power, national president. It states:

> Joe Power, UNDE national president, has taken the matter directly to Health Minister Monique Bégin.
>
> In a letter to the minister Dec. 22, Power protested "in the strongest terms possible" her department's decision to make an almost 25 per cent reduction in man-years for the public service occupational health program.

This next part is very significant I believe. It states:

> The reduced health services are a false economy, the letter says. It points out that 27,900 work injuries in the federal public service between April 1, 1977 and March 31, 1978 resulted in a cost of more than $16.6 million.

● (1550)

> It is impossible to estimate how much more time and money would be lost if injured workers were not to receive immediate fully-qualified medical attention, the UNDE president writes. However, the figure would probably be in the millions of dollars and thousands of hours, not to mention the possibilty of increased deaths.

I believe that it is false economy, when one is considering the health of the people of Canada, to introduce and to put

into place restraints or cutbacks in this particular area. Surely there are other fields in which restraint could be exercised—and we have pointed these out—without removing programs that are of such a direct and urgent benefit to the people.

With regard to the allegation or charge that there have not been adequate discussions with the provinces, I would like to express my support for those contentions. It was rather surprising, after all the discussions with regard to negotiation and consultation with the provinces and with regard to how thoroughly various programs have been dealt with and carried out, to hear the minister say in her speech, as recorded at page 2810 of *Hansard*, dated February 1:

If I go back to the exact nature of this bill, which is to cancel the health resources fund a few years ahead of its natural termination date, I must acknowledge that many members complained in the committee about the fact that no consultation had taken place with the provinces on introducing an earlier cut-off date after which no new projects are to be approved. The fact is that there was very little time for specific consultation when the final decision was taken.

Those comments are rather significant in view of the fact that the government has reached the point where it would cut off a program worked out in consultation with the provinces, and on top of that say there was not sufficient time to consult with them to reduce the time frame of the program by approximately two years.

We tend to think of all these changes in terms of a reduction in the delivery of health services, its effect upon research and so on. I have in my hand a newsletter published by Canadians for Health Research which contains an editorial that I think is very pertinent to this question. It says:

Much has been said during the past two years about the effect of funding cutbacks on the Canadian scientific community and health care delivery system. What has not been stressed is that Canada has an obligation to the people of the world—

The obligations we have to our own people are fundamental, but here this newsletter is saying that Canada has an obligation to the people of the world.

—to provide knowledge and techniques to enable them to achieve minimal levels of health.

Officials of the World Health Organization speaking at the CHR National Conference pointed out that hundreds of millions of people suffer from severe tropical diseases—

And it goes on to mention some diseases, the names of which I cannot pronounce.

—for which there are no cures. The development of new technologies is essential if advances in the control of these major parasitic diseases are to be achieved. The third world does not have the academic and technical resources to do the research on these diseases. Canada does. We therefore have a moral responsibility to provide not only massive amounts of foreign aid to purchase advanced technological products, but to export our knowledge in the field of biomedical research.

Those comments illustrate very clearly that by making a cut such as the government is proposing in this bill, it is affecting not only the health care services within Canada but also those services which could be and should be provided to other parts of the world.

We hear a great deal about consultation between the provinces and the federal government today. It seems to me that the government ought to take another look at this whole area and reassess their attitude toward provincial responsibility and participation in these programs. At the time the medical care bill was introduced there was a great deal of discussion, and at one point it was thought that the bill would flounder and not be passed, because some of the provinces were not willing to enter into the program as proposed. But finally, after a great deal of arm-twisting, the provinces came in and the medicare plan was put into operation. In this instance the federal government applied strong-tongue tactics—I was about to say strong-arm tactics, but that is not quite right—in order to get the provinces to accept medicare, but just a short while ago the government brought in a measure which put a cap on the expenditures, and the result was that the provincial governments were saddled with additional expenses as far as that particular program was concerned.

Once again, after making a commitment and working out this program with the provinces, the government is reneging and leaving the provinces holding the bag. This is very unfair to the provinces. The result is that there is a great deal of resentment that would not be there had the government taken a more positive position and attitude in their deliberations and discussions with the provinces. This is why we say that the damage to our confederation has been done by a government which fails to recognize the provinces as partners in confederation. I have said before that the relationship between the two levels of government has deteriorated to the point where there is suspicion and distrust, which should not be.

As a result of this bill, the provinces will once again have to accept the fact that another program has been curtailed and, in this case, eliminated two years prior to its cut-off date. The protests have come from this side of the House, and I add my voice to those who have already spoken. But regardless of the protests and representations made, the government will maintain this attitude, which will continue to prevail until the time comes when it is replaced by a government which is more sensitive to the needs of Canadians, a government with policies which are designed to meet those needs in a constructive and adequate fashion.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the purpose of this bill before us, as hon. members know, is to eliminate the health resources fund and, in effect, the allocation of $80 million that still remains in the fund which, under normal circumstances, would be paid out to the provinces for essential medical-diagnostic facilities. I, too, would like to add my words of opposition to the elimination of this fund.

I believe that there are many things we can do as a country to improve the health and well-being of Canadian citizens. I want to spend a few minutes on an area which I think is overlooked by almost all modern industrial societies, Mr. Speaker. It is an area, quite frankly, in which all political parties when they are in office have created disaster, and that is nutrition and preventive medicine. I think this is one of the real issues, challenges, perhaps one of the results of an industrial society that the world is overlooking, and I want to make some non-partisan remarks about it.

● (1600)

I recall speaking to a senior official in the Saskatchewan government a couple of years ago and asking him what was new in the area of health. He replied, "We have done everything we have to do. We have medicare, hospitalization, cancer programs, eye glasses programs, drug prescription programs and the like." I said, "I commend you. The government of Saskatchewan has led the way in health care in this country and in North America, but in my opinion it has just begun."

Let us look at some of the things I am speaking about, Mr. Speaker, as they relate to the whole area of health in the industrialized world, particularly in the areas of nutrition and preventive medicine. In the United States Senator George McGovern and a team completed a comprehensive study of health in that country about two years ago. They linked six of the leading causes of death to diet and the types of food people eat. They said that North Americans eat far too much sugar, fats and salty foods—that we are digging our graves with our teeth, as the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) has just commented. The World Health Organization has said that about 90 per cent of cancers are caused by the environment and that a large part of that environment is the type of food we consume.

In a white paper produced about three years ago the Food Prices Review Board said that in 1972 about 40 per cent of the hospital days in this country were as a result of the malnutrition of the Canadian people, and the cost was around $2 billion. The former head of Nutrition Canada, a renowned scientist named Dr. Zak Sabry, about the same time said it probably cost more than $2 billion per year. He said that on an annual basis the total cost of poor nutrition to Canada is about $7 billion to $8 billion, of which about $2.5 billion could be saved each year through improved nutrition.

Heart disease was virtually unknown prior to the turn of the century. Many studies link the type of food we eat with the type of ailment. Another interesting report is one which was issued by the Quebec government. Governments of all political stripes in this country have not placed a high enough priority on preventive medicine and nutrition. Last year the federal government, the provinces and municipalities spent on nutrition and nutritional education only about 1 per cent of what the food retailing and processing industries spent on promoting food. Breakfast cereals that are 50 or 60 per cent sugar and things like that which are detrimental to health were promoted.

The Quebec government issued a paper entitled "Une Politique Québécoise en Matière de Nutrition" which is a comprehensive study of the nutritional problems of people in this country. They are implementing some of the proposals and I hope this will act as a vanguard in this field, as did the actions of the Saskatchewan government in years gone by in the field on the delivery of health services to everyone regardless of income. The document reports on the state of nutrition in this country. Many people claim that Canadians are not malnourished while other people say we suffer from a great deal of malnutrition.

The report also points out that the consumption of alcohol in this country has increased drastically in the last few years. In this regard it states:

[*Translation*]

It has recently been demonstrated that between 10 and 20 per cent of total calories consumed by the North American adult come under the form of alcool.

And, further:

Mortality due to liver cirrhosis has registered a gross increase of nearly 200 per cent during the last twenty years. The number of deaths has increased from 195 cases in 1951 to 558 in 1971.

[*English*]

So as we see, Mr. Speaker, the types of food and beverages we consumer today lead to very serious health problems and in many cases lead to deaths which should not occur.

A study carried out a few years ago by Nutrition Canada found that one and one-half million Canadians suffered from malnutrition of one form or another. That means they lack the vitamins and minerals that are necessary for the body to function properly.

Some of the information in that report is startling. For example, in this country about 70 per cent of old age pensioners suffer from calcium deficiency. Imagine that in a country with the capacity to produce an unlimited volume of milk, where two years ago farmers were throwing milk away on the steps of the House of Commons because they did not receive a decent price for it in the market, if they could find a market. The report also found that 44 per cent of Canadians had iron deficiency and 60 per cent had vitamin D deficiency. And the list goes on, Mr. Speaker.

The same thing is true in the United States. According to studies in that country in 1955, about 60 per cent of the population had a well-balanced diet. In 1965, ten years later, about 50 per cent of the population had a well-balanced diet.

If we study our eating patterns since World War II, we will find them absolutely frightening for the future of health in this industrialized society. The consumption of dairy products has dropped by 23 per cent, the consumption of fresh fruit by 25 per cent, while the consumption of soft drinks has increased by 80 per cent. In some cases children in the United States average three soft drinks per day. The consumption of pastries has increased by 80 per cent, and of potato chips by 85 per cent. Is it any wonder that the medical experts tell us today that nearly half the adult Canadian population is overweight? And I am not looking at the hon. member for Winnipeg North Centre (Mr. Knowles)! I do not intend to name names. However, about one half of the Canadian population is obese. That problem can be traced back to the type of diet we have. I was talking about some changes in eating patterns in the United States. The same is true in this country.

● (1610)

One need only look to the Nutrition Canada surveys to find that what is occurring in the United States is also occurring in Canada. I have a study here. The years 1905 to 1910 are given a basic index of 100. You can trace the consumption of certain

products, one of them being refined sugar. In the years 1905-1910, the base was 100. In 1973 the base index went up to about 140 or 145. Meat went up to between 145 and 150. If you look at dairy products or cereals and flour, that went down to about 55 or 60, reflecting similar eating patterns that one sees in the United States. The bill before us will eliminate the health resources fund. That $80 million could be spent very usefully on trying to come up with programs and policies which will show Canadians the need to become concerned with the types of food they are eating and with the food system we have in this country.

Many people say that we live longer today, that people do not die as young as they used to. I suggest we take a good look at that argument. If we look at the arguments, facts and data, one point comes very clearly to mind as to why the lifespan is longer now than in 1900. Because of modern medicines and hospitals, we have been able to combat the problem of infant mortality. Babies are not dying as a result of diseases they died of some 70 or 80 years ago. In addition, we have penicillin which has reduced the death rate of people of all ages. If you compare the life expectancy of people over 21 in the year 1900 with the years 1978 and 1979, you find that life expectancy has not gone up significantly. But despite modern medicine, hospitals, surgery, medicare and other services, the average lifespan in Canada in the past 70 or 80 years has not to any significant degree lengthened. The main part of the reason is our food system.

Let us look briefly at the food we consume. The foods we consume in this country contain about 1,800 chemicals or artificial additives. We eat more processed or heavily manufactured foods than ever before. Many people say, "So what?" I remind them that the more food is manufactured or processed, the more vital minerals and vitamins are refined out of that food. I will use the example of canned peas which many of us pick up on the supermarket shelves. When you open a can of peas, warm them on the stove and then consume them, 94 per cent of the food value will have been lost. Only about 6 per cent of the food value remains compared to the value you would get from peas picked fresh from the garden, shelled and eaten in a raw or natural state. I use that as an example of the fact that the more we manufacture our foods, the more we refine out the vital minerals and vitamins.

Let us look at another study. Since World War II the consumption of highly refined foods, canned foods, frozen foods, TV dinners as well as food consumed in restaurants has increased extremely rapidly. Along with the acceleration of manufactured food has been a corresponding decrease in the value of nutrients.

As I have said, many chemicals are put into our food. There is the whole area of artificial colouring. An orange is injected with orange dye to make it more orange. Chickens are injected with dye to make them a certain colour. These things are totally unnecessary and scientists are now starting seriously to question them. This practice has only occurred in the last 30, 40 or possibly 50 years. The cumulative effects of many of these changes are not known in a very concrete or definitive way.

Many Canadians would be surprised to know that the average person consumes over 100 pounds of sugar per year. Not much of that comes out of the sugar bowl; most of it has been added to other foods. There is a lot of medical evidence which indicates that we are eating far too much sugar. It is not good for us. Many breakfast cereals and canned fruits actually contain more sugar than the particular food one is supposedly purchasing.

All these matters are of great concern to me. They are of increasing concern to a larger and larger number of people in Canada and in other countries. In addition to what I have mentioned, there is increasing concern about the safety aspect with regard to the pesticides and insecticides being used. There is growing concern about the hormones given to animals as well as the antibiotics being injected into them. There is concern about forcefeeding of animals in order to fatten them rapidly. There is a lot of concern about how we raise chickens and animals, how we are changing the genetics of some of the animals we eventually eat.

Because of growing evidence that we are so rapidly changing the food system, it would be worth while to put more money into the area of preventive medicine and nutrition. We in this House have often been reminded of escalating health and hospital costs in Canada. Too little attention is being paid to preventive medicine and other ways of bringing down these rapidly escalating costs. None of us have the magic solution. That is why we need a lot more research in this area.

Worth-while research is being done in other countries. Israel, France and Norway all have eating patterns and food different from that in Canada. It is worth taking a look at them. I want to deal with eight or nine points which I feel might improve the health of Canadians.

First, we need a comprehensive educational program. Just the other day I talked to someone who was convinced she eats very well. She consumes three or four cokes a day. Her favourite foods are french fries and macaroni.

An hon. Member: What's wrong with macaroni?

Mr. Nystrom: Anything in a reasonable amount will not harm you. However, if it is your diet for many, many years it will do some harm. Therefore, we need an educational program to inform Canadians about foods they are consuming and those that they should look at more positively.

Second, we should consider a system of nutritional labelling. This has been tried in other countries. People would then know from the label what they are about to consume. The label should indicate the percentage of sugar, fats, cholesterol, solids, and anything else contained in the food.

● (1620)

Another thing that has been suggested by the Canadian Committee on Diet and Cardiovascular Disease is the use of a government logo. The logo would mark foods that are part of a

healthy and balanced diet. People would know by the very presence of the logo whether or not what they are consuming is part of a healthy and balanced diet. And here is an idea which could be borrowed from a country like Norway: you could use the taxation system as a way of discriminating in favour of nutritional foods and against foods of non-nutritional value by imposing higher taxes on foods that are unhealthy, lowering the taxes on, and thus lowering the price of, foods which are healthier for people. Norway is experimenting in this direction.

Another thing which could be done, and I thought we had already started to do this in this country, is to subsidize some of the basic foods such as milk and bread. There used to be consumer subsidies on them but they have now been withdrawn.

An hon. Member: Not from milk.

Mr. Nystrom: Very well, there is still a subsidy on milk, but a large part of the subsidy on fluid milk has been withdrawn—

An hon. Member: Powdered milk.

Mr. Nystrom: Powdered milk. It was announced before Christmas that the subsidy on bread would be withdrawn and on January 1 we saw the effect on the price of a loaf of bread in every store in this country. Another thing that could be done is school food programs and school milk programs so that people while they were young would have a chance to eat more nutritious foods in the schools instead of using the classical coke machines and chips, so that children could drink milk and fruit juices and so on in school cafeterias.

Another thing that is very important is the type of advertising beamed at young people. One thing I like that the Quebec government is doing in the area of consumer legislation today is the banning of advertising directed to people under the age of 13. I never used to worry about this until very recently, but I worry about it now because I have a five-year-old son and I see the impact television is making on him and on his preferences. No matter how much we try to tell him that certain breakfast cereals, for example, are not good for him and that other foods such as whole grain cereals are much better for him, we find it hard to convince him because of the fancy ads on television with fancy characters promoting some of the more junky type foods.

An hon. Member: Turn off the television.

Mr. Nystrom: Some people say turn off the television, but that is very difficult to do with young people. In the International Year of the Child perhaps one of our concerns should be getting rid of advertising that tries to promote food of non-nutritional value in the mind of a small child. I see a member of the cabinet shaking his head in the negative. I hope he doesn't really mean that, because it is so important in our society that we give the younger people the proper values and the proper type of education so that they will understand the types of foods and the types of values that are good for them in their formative years.

These are just a few of the things that I think could be done to improve the health of the nation. That is why when this bill came back to the House for third reading a couple of days ago I wanted to get up and say a few words about what I think is one of the great problems of the industrialized food system and what it is probably doing to our bodies and to our health. It seems to me it is worth putting a few more bucks into this system in terms of the future of our country, because nothing is as important as the health of people. I believe politicians have to take a lead in this area, just as politicians had to take a lead in the area of the delivery of health services, medicare, hospitalization and good hospitals, and modern drugs and technology. We must now start delivering the other half of that formula, which is a good, wholesome food system and a good, balanced diet, along with such things as exercise.

I think that by investing a few million dollars we could reap several billion dollars worth of return, as the health officials to whom I referred have suggested, from the improved health and happiness of the country. Perhaps we could create a much better society for all of us and for those who are about to come in the years ahead.

Mr. Cecil Smith (Churchill): Mr. Speaker, I am glad to enter this debate today as one who represents an area with a large Indian population whose health services really need to be questioned.

The minister proposes to cut some $84 million from science support programs and medical research. During the recent controversy about the reduction in Indian health services we heard frightening statistics on this subject. Indian women in Canada live an average of 30 years less than other women; the life expectancy of Indian men is about 22 years shorter than that of the average Canadian male; the infant mortality rate is twice the national average and natives suffer a much higher incidence of diseases such as tuberculosis and hepatitis.

Perhaps even more startling than today's pathology and mortality figures are reports upon the stature of the North American Indian of yesterday. Many of the facts I am about to put on record were noted in an NIB paper two years ago; I thought it was time they were brought to the attention of the House.

The agricultural Iroquois male of the early 1800s averaged in excess of six feet in height compared to the average European male of that same time standing five feet two inches tall. Infections and chronic disease were unknown in the pre-colonial Americas, while in Europe, during the dark ages, whole populations fell to the ravages of various plagues and diseases. Of 30,000 identified diseases, only 87 were known to exist among the Indian people of the Americas. The difference is attributed to the absence of fresh fruits and vegetables in the European diet and the almost total reliance on dried grains and domesticated meat.

Published studies regarding the Indian people show the race is superior in bodily proportions, colour and gesture; free from tuberculosis, syphilis, and the consequent physical and mental

deformities. They were strangers to leprosy, scrofula, cancer, and nervous prostration.

Archaeology has failed to uncover evidence among pre-contact Indian burial excavations of modern day bone deficiences, cavities, rheumatism, arthritis, etc. Indian women were unusually strong, often continuing their regular physical activities immediately following childbirth. Infant mortality was rare.

Contact historians of the early eighteenth and nineteenth centuries concur that the Indian people represented a superior physical make-up. Today the Indian people suffer from gall bladder infections, infectious diseases, high infant mortality, obesity, retarded physical growth, and chronic diseases.

● (1630)

The incidence of diabetes among Indians is reported to be five times as high as it is among the general population. A few weeks ago the minister was presented with a blanket by the Union of British Columbia Indian Chiefs with the assurance that it was disease free. The gift was a reference to blankets containing a smallpox virus given to the Ottawa Indians on the upper Great Lakes by British officers 200 years earlier in an attempt to wipe out native settlements. Significant here is that, whether by intent or not, European immigrants introduced along with fatal illnesses the need for the benefits of advanced health care.

Following the confederation of 1867 it was recognized that the federal government should be responsible for Indians and the lands reserved for Indians. While not provided for in the federal statutes, health care services were supplied to Indians, often by surgeons in the Northwest Mounted Police, and by the Hudson's Bay Company. This common practice was first documented by an order in council dated May 11, 1877, appointing Daniel Haggerty, MD as medical superintendent to the Indians of Keewatin and the northwest. Health care services to Indian people over the next century developed gradually, hindered by a changing or non-existent administration and poor organization.

In 1905 Dr. P. Bryce was appointed medical superintendent within the department of Indian affairs. After five years his position was terminated and not reinstated until 1927. At about that time the first field nurses were appointed to work on reserves. However, the general health of the Indian people continued in a downward slide.

The first nursing station ever to be built in the area I represent was built in 1947. At that time it was a case of survival of the fittest. Many Indian people at that time trapped away from their communities. They came back to their communities to buy groceries, to sell their furs and so forth. It would not be unusual to see a family return in the spring with two or three of their children missing, because at that time the Indian people had to depend either on the medicine man or on their knowledge of how to treat a child when it became sick. As nursing stations were built a job had to be performed by the department, and I must give credit to some of the first nurses to come into the northern part of Manitoba—I am sure the same is true in other provinces—because there was a mood of distrust with regard to the nurses. At that time there were many medicine men who would not accept the fact that there were some who were more powerful than they to treat the sick in various communities, but over a period of time the communities built up a trust for the government's ability to provide health care services.

In 1946 family allowances were introduced, and parents whose children were not attending school could not collect. This brought families closer together. It brought families in from outlying areas to communities in which they were not accustomed to living. They had been accustomed to roaming the land, living in winter camps, trapping, fishing, hunting, selling their furs and raising their families. When the family allowance was introduced, it was compulsory that children attend school. In order to collect family allowances, Indian families had to move into communities. They built log shacks. They began living, not always peacefully, with their next door neighbours and sending their children to school. This happened only 30 years ago, which is a very short time in any country's life.

Then came environmental problems within those communities. The people were not accustomed to living so closely together. There was more money, and as a result there was garbage to contend with. There was no garbage pick-up and no running water. No facilities whatsoever were provided. This is the treatment the Indian people received, and Indian people did not trust the medicine the white man brought in. They did not feel it would be effective in treating very sick people. Medicine men were used extensively just 30 years ago. When we talk about expending to do research on the health of Indian people, we are talking about something which started only 30 years ago. I am sure that some of the studies which began 30 years ago are still ongoing, but they will have to be discontinued because funds are going to be cut off.

In 1945 Indian health services were transferred from the Department of Indian Affairs and Northern Development to the Department of National Health and Welfare. Important here is the fact that only the administration of the diagnostic and treatment aspects of health services was transferred. Control of environmental health conditions remained under the authority of the Indian affairs department. This is when the Indian affairs department became responsible for the health environment of the Indian people and Indian health services came under another department. In that way the buck could be passed and people could say, "It is not our responsibility; it is up to the other department". I will get into that a little later because we do not have one department taking full responsibility for the health of Indian people in Canada.

In 1962 a further amalgamation took place as Indian health services merged with six other federal health programs to establish the medical services branch, as it is known today. The refinement of Indian health care services to a single branch within the government has done little to help status Indians on reserves. Symptoms are treated, but the causes are left to others.

The Department of Indian Affairs and Northern Development is responsible for the over-all well-being of the Indian people of Canada. In a statement on January 24, 1979, the Minister of National Health and Welfare (Miss Bégin) said that the basic causes of the poor health of Indian people are socioeconomic; for example, inadequate housing, water supply and sewage disposal, and unemployment. That is true, but only in part, because I can cite at least a dozen other examples from the reserves in my constituency.

Just recently I took a two-week extensive trip through the eastern part of my constituency. The Minister of National Health and Welfare visited there last summer. Her visits consisted of dropping into a community, going to the nursing station, having someone meet her to take her out fishing and for a short lunch, coming back, catching the aeroplane and flying on to another community. The minister could then stand up in the House and say that she had visited the communities and that there were no problems. I call it a 24-hour wonder when someone decides to investigate an Indian reserve and 24 hours later comes back with all the information she feels she should have and makes a glowing report. Some people wander in and 24 hours later wander out, and people up there wonder what they really came for.

The minister mentioned the socio-economic aspect. I went to seven reserves which comprise approximately 6,000 people in total. In other parts of the country we have seen school enrolments drop, but in my part of the country enrolment has increased at least threefold over the past seven years. There is not sufficient schoolroom space in many of those communities. Schools that are now only three years old are short of two classrooms. I do not know where the planners were in the various departments, but anyone who had taken the time to look at the statistics and the growth rate in the particular communities could have predicted that more schools would be required. Now, because of the government's restraint program, we see in many communities material which the department had shipped to the community for the purpose of building a school lying there in a heap and not being used because the Treasury Board has cut off further funds to build the additional facilities.

● (1640)

Housing is the number one priority in those communities. I am glad to see the Minister of Indian Affairs and Northern Development (Mr. Faulkner) is leaving the House.

Mr. Faulkner: Telephone.

Mr. Smith (Churchill): He just cannot face the music, that is all. In many of the communities there are four and five families living in one house. The Minister of National Health and Welfare points to the lack of housing. I am sure there are a dozen people on this side of the House representing Indian communities who could have told the minister that, and who in fact have been telling her that over the past four or five years.

The trouble is that people in the Department of Indian Affairs and Northern Development have a phobia regarding the only type of housing which they consider is required in northern Manitoba and in isolated areas, namely, a frame house. Some designer has designed a frame house which he considers to be adequate for the Indian people. I could take you, Mr. Speaker, into the homes that I have visited myself personally in Oxford House, Wasagamac, St. Theresa, Garden Hill and Red Sucker Lake. When these houses were built, they were probably built to the standards prescribed by the then minister of Indian affairs and northern development or some of his officials. These houses are not equipped with running water or with other modern facilities such as a hot water tank. In the winter time, when three or four families live in one house, there are at least two or three tubs of water sitting on the stove in order to heat water for the occupants. This generates massive amounts of condensation which in turn frosts up the windows and the doors, to the extent that neither can be opened. The neighbour, if he can get out of his own house, has to come in and open the door in the morning. There are no doorknobs left in most of those homes. There is a piece of rope attached through a hole in the door, and you have to haul on that to open the door. Until such time as these homes in the north are equipped to provide running water, the people there may as well go back to the conventional log home.

In many of the communities I visited people are saying they will rebel and ask the Department of Indian Affairs and Northern Development to put a log housing program back into operation. They claim that their children were far healthier when they lived in log homes than they are in the sweat boxes in which they have to live today. All you have to do is to talk to the nurses at the various nursing stations. They do a wonderful job but they will tell you how frustrating it is for them at times when they see the idiotic approach taken by the Minister of National Health and Welfare cutting back on certain facilities and services in those communities. Those nurses are working their hearts out, not on preventive care but on emergency types of operations. What we need is preventive research in these communities to improve the health of the people.

The reason I am singling out the Indian communities is that I feel they are the ones at this time who are suffering the most. We are removed from it all, living here in the city. If someone here breaks his little toe, an ambulance with a siren comes screaming down and takes him to hospital. In the area to which I am referring, there are no roads or access leading in or out. The only way to get in there is by aircraft, and it is a 350 or 400-mile trip to Winnipeg. Many times the radio facilities are not working. Thank goodness we now have telephones in most of those communities, thanks to the Sterling Lyon Manitoba government. People in the remote areas do not know to whom to turn. At the many meetings that were held in the two weeks which I spent in seven communities, people were pleading with me to do something about the decisions that have been taken by the Minister of National Health and Welfare, because they could see that the first nursing stations built 30 years ago and the new nursing stations that have been built to replace the ones of 30 years ago will deteriorate and

that a slow erosion of the services provided to that community will take place.

The decision of the minister was contained in the first guidelines which were put out. I am sure she flew this flag not expecting anyone to say too much about it, but thank goodness the Indian people spoke up, as did many members of parliament on this side, about the guidelines that came out. Can you imagine a person living on welfare, by no choice of his own, going down with a prescription from a doctor and only being able to have the price of one of the three prescriptions listed covered by the Department of Indian Affairs and Northern Development or the Department of National Health and Welfare while the other two would have to be covered by him if he wanted to take the medication? Many people in that situation would not have sufficient money in their pockets to buy the other two items.

The minister spoke about abuses. I can talk about many abuses in this government. Just a few days ago we heard the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo) say she would make $18 million available to any city in Canada which would come up with a National Hockey League franchise, while at the same time the Minister of National Health and Welfare was saying she will cut down the medical services to the Indian people.

Some hon. Members: Shame.

Mr. Smith (Churchill): I cannot understand them. They talk about waste and abuse, but all they are doing is playing politics on the backs of the people of this country, especially the Indian people.

To say that the cause is socioeconomic does not relieve the minister of the responsibility for correcting what I call a festering sore. Rather than side-stepping those serious problems, the minister should be tackling them with all her resources and making additional funds available for research so that we can get on with preventive care, not just emergency care. For this reason funds should be made available for continuing medical research. Only 30 years ago the first nursing station was built in Manitoba. Today the government are taking $84 million out of circulation to build a hockey arena in some city that is going to sponsor a National Hockey League franchise. That is ridiculous! To go beyond the mere symptoms and treat the original cause is what the minister has to do. That is her responsibility. The minister's recent directive requiring treaty Indians to pay for eye glasses, drugs, dental care and transportation for medical purposes is a further retrogressive step affecting those who need help most. When will the minister leave the track rutted by her predecessor and shoulder her responsibilities?

Some hon. Members: Hear, hear!

● (1650)

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, particularly relating to measures dealing with health, the government of the day may become known as the halfway house

[Mr. Smith (Churchill).]

government, because historically it has undertaken programs which seem to reflect the philosophy of the Liberal party, and at a time such as this it has decided to withdraw. It has withdrawn at a time when the objectives of the policies have not been achieved in full. This is a very retrograde step to take. The government made commitments through the Department of National Health and Welfare respecting the improvement of teaching and treatment facilities, but it has withdrawn before they were completed. Perhaps this is as critical a point in the program covered by the act as any and the step taken by the government is one which is inexcusable and unforgiveable.

Every now and then in the life of a politician there comes a point when one finds himself or herself to be a pawn of the circumstances of the day. Certainly the Minister of National Health and Welfare (Miss Bégin) finds herself in the unenviable position of being a pawn of the government which cuts back on its promises to Canadians, particularly as they relate to health.

This proposed cutback will build in regional disparities by withdrawing from or reducing programs which were intended to arrest the difficulties in the less fortunate areas of Canada. In particular, the proposal will extend the disparities the government has professed it will cure. It is rather peculiar to watch the expenditures of government as it looks at what is political and how to gain votes. As mentioned by the hon. member for Churchill (Mr. Smith), the government will build arenas but cuts back on health. It is hard to follow the logic of that type of political philosophy. While the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo) may be sitting on the pedestal at this moment in time, the Minister of National Health and Welfare is subject to criticisms of the severest kind which can be levelled at a politician.

I regret very much the transfer of moneys from one field to another, particularly when the job is not complete as the moneys are transferred. There is no indication the government is prepared to honour the projects presently under way by extending federal aid to the provinces. For instance, a project in the city of Saint John was to be financed partly by the federal government. Yet there has been no assurance in writing to the minister of health of New Brunswick as of noon today that the federal government in fact will honour its commitment to this ongoing project. I suppose we will see government members from New Brunswick rise in support of the bill, in spite of the fact that there is no assurance that present commitments will be honoured and that moneys in fact will be advanced.

There were two further projects in the province of New Brunswick which anticipated assistance through the government's program in order to provide better teaching and more intensive care facilities in areas where they do not exist. At the present time the people in those areas are doing the best they can with the available facilities. In the cities of Edmundston and Campbellton two projects were on the drawing board which were to be built with the aid of the program during its term. These projects would have provided better health care within two federal Liberal constituencies in the province of

New Brunswick, but federal government assistance has been withdrawn.

There is very little excuse for extending the disparities which exist in health care in the less favoured provinces, as this proposal will do. This is but one example of the inequities which exist in the less favoured areas of Canada. Extended health care is assisted by the federal government on the basis of $20 per capita. Perhaps that does not mean much to Alberta and British Columbia, and perhaps it is not necessary in either case; but $20 per capita in the less favoured provinces is not enough to help them extend their levels of care to those of the more favoured provinces.

I do not wish to carry this to the ridiculous, but it goes without saying that the larger centres always will have the best care of any centres in Canada. That is by virtue of the opportunities for health officials, doctors and nurses to practise in specialty fields, which opportunities cannot be provided in smaller communities. Perhaps there will be only half a dozen major centres in Canada where maximum care can be extended in health; but there are hundreds of communities which need to come a little closer to the level of the greater centres. There was a step which aided them in doing so, but now it is to be withdrawn. At least two projects in New Brunswick will not be favoured with the assistance offered by the program.

The government's proposal contradicts totally the concept of long-term planning for health care. As I am not a medical doctor, I will not try to infringe upon the medical field by suggesting specific methods of extending health care, but as a member of the House I am interested in equality of care. This present step by the govenment will constrict the opportunity for equality in the less favoured areas of Canada, as will practically all programs which presently are being cut back. These will be known as the "Bégin years" in health, when the Government of Canada practised austerity by withdrawing some of its support from medical, hospital care, extended care services and educational facilities. While we have no political common ground, I sympathize with the reflection which people will have upon the term of office of the Minister of National Health and Welfare. Certainly the minister has become the pawn of the government because of its withdrawal from responsibility in providing health care in the country.

Mr. Speaker, may I call it five o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Windsor West (Mr. Gray)—Foreign Investment Review Act—Inquiry as to compliance with principles of international business conduct; the hon. member for Surrey-White Rock (Mr. Friesen)—Industry—Takeover of Canadian businesses.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Turner): Is motion No. 7 standing in the name of the hon. member for Renfrew North-Nipissing East (Mr. Hopkins) stood by unanimous agreement?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Is motion No. 9 standing in the name of the hon. member for Ottawa-Carleton (Mrs. Pigott) stood by unanimous consent?

Some hon. Members: Agreed.

* * *

● (1700)

AGRICULTURE

ADVISABILITY OF IMPROVING VIABILITY OF INDUSTRY

Mr. Paul Yewchuk (Athabasca) moved:

That, in the opinion of this House, the government should consider the advisability of taking the appropriate steps to make agriculture a more viable industry in Canada.

He said: Mr. Speaker, I am pleased to have the opportunity of discussing in this House a problem which is near and dear to the hearts of the many of us who sit here as representatives of rural ridings. We know that in spite of the great admiration the current federal agriculture minister has for himself and for his abilities, which he has expressed on many occasions in this House, agriculture in this country is indeed having great difficulty. As a result farmers are moving off the land in ever-increasing numbers.

To illustrate the problem briefly, it seems to boil down to one of constantly falling income and constantly increasing costs. The problem can be well illustrated in terms of income. The average farm in this country, particularly in the west, involves a total capital investment in the area of $173,000, including land, machinery, equipment and all those things required to conduct a farming operation. If one were to take that $173,000 in cash and invest it in a savings account, or perhaps in bonds, one could reasonably expect to gain a return of at least 10 per cent. This would mean an expected income from this size of deposit of somewhere in the neighbourhood of $17,300. The fact is that the net income from a farm with a

capital outlay of this size is nowhere near the income that could be derived from an investment of that money directly in a savings account of a long-term nature. As a matter of fact, my calculations indicate that the average farm I have described would produce a net income of somewhere between $13,000 and $14,000.

We have a situation in which a man engaged in agriculture in this country not only does not get paid for his work, but he loses money on his investment since he could do better in terms of return by simply taking the money out of farming and putting it into a savings account of some sort.

The result of this situation has been a mass exodus of people in rural areas from farms into the cities, with a subtantial rural depopulation and the destruction of many small towns which dry up when these people move away. Indeed, this has resulted in the destruction of a lifestyle which many Canadians have enjoyed in the past.

The situation has reached the point where virtually no one is entering agriculture, particularly young farmers, because prospects for a reasonable income are poor. If a young man does decide to farm, the capital required is so great that he must borrow a huge amount of money, and he finds it virtually impossible to meet the cost of servicing that sort of loan. As a result, most of these young people must spend nearly half their time, usually in the winter months, working elsewhere at some other type of employment simply to keep the farm running. It seems to me there is something wrong with a system under which that can happen. It is not right that a young farmer who undertakes an operation with an investment of $173,000 must get a job in the oil fields or somewhere else simply in order to stay in the business of farming.

When we examine that situation we see there is something terribly wrong with the policies this government has been following. In my view there are two main things that should be considered and studied if some kind of corrective action is to take place. Steps must be taken to increase gross income to the farmer. On the other side of the coin, something needs to be done to reduce the cost of operation: that is, the cost of machinery, fuel, repair parts, farm labour and so on.

Let me come to the key question posed by this motion. Given the facts I have already laid out, is agriculture really a viable industry? We know that world consumption of food and feed grains has continued to grow on the average 5 per cent per year. If we compound this rate we will see that in 15 years consumption will double. When we look at growth in production in this country we will see that it will not nearly keep up with this expected increase in demand.

The Canadian cattle industry lost more than $400 million in the last four years, and much of this loss can be reflected in the decrease in producer equity of some 18 per cent. In other words, because the beef industry was in such dire straits in terms of low prices, 18 per cent of herds have been sold off, resulting in a shortage even greater than we anticipated. If these herds are to be rebuilt it is essential that producers have confidence not only that the market recovery which is now being enjoyed to some extent remains permanent, but also that the government will not act to frustrate that recovery.

All Canadian producers will remember the action of the Canadian government in 1976 when huge quantities of offshore beef came into our market and seriously depressed Canadian cattle prices. This created major problems in respect of our relations with our neighbours, and certainly major problems for the beef industry.

I recall very clearly the minister standing in this House at the time complaining that there was overproduction, that we had a huge surplus of beef, and asking farmers to cut production as that was the only way to improve prices. What he neglected to say at that time was that the huge surplus we supposedly has was largely the result of huge imports from offshore sources. If we examine the figures in respect to our own production very carefully, even during those years when we had this supposed surplus we will see that our production was not sufficient during any of those years to meet Canada's own demand.

The other question I want to touch upon is what can be done to resolve the situation. After all, the motion does say that the government must take steps to make agriculture more viable, so clearly it is necessary to make some recommendations as to how this can be done.

To begin with, some changes in the tax system are required to make it more equitable. Trade and economic policies must be adjusted so that Canadian agriculture is capable of competing efficiently in both world and domestic markets in respect of the commodities we produce. Government policies must be aimed at maximizing our competitive position and extending our markets, rather than what seems to have become the general trend of this government, simply to be satisfied with bringing forward government support and supply management programs.

● (1710)

In looking at the situation in the long term, it seems to me that support subsidies and supply management are at best short-term solutions and that the long-term solutions must rest on improving efficiency, expanding the market and stabilizing prices through these expanded and reasonable markets.

There have been problems with regard to offshore trade policies. I have already mentioned that too much beef has been brought in, the result of which has caused the artificial depression of our own prices. We on this side of the House have suggested, to avoid this difficulty in the future, that a long-term beef import policy be instituted to protect the producers from artificial world surplus and competition from other products.

There have been problems with regard to grain and they are partially due to the fact that the international grain arrangement has expired. We are carrying on negotiations, but at the moment grains are at the mercy of market forces and as a result prices are not what they could be. There should be greater effort on the part of this government to reinstate the international grain arrangement that would guarantee the

maintenance of a reasonable floor for prices of exported grains.

The biggest problem which needs to be studied very carefully and corrected, and regarding which the government has shown great neglect, is transportation. We must take steps to ensure the adequacy of grain transportation and handling, that the cost of transporting grain remains at a reasonable level, and that the structure of the handling industry itself adjusts to function with greatest efficiency.

There has been a suggestion on the part of the government that the Crowsnest pass rates may be changed. If one looks at the history of this government, one becomes very frightened that these changes which they are talking about will only further depress farm income. We want to make sure that if the Crowsnest pass rates are changed, such changes will reflect compensation to the railways for their work and that these compensatory costs will not be borne by the producers but by the government from its general revenue.

Another problem in the area of grain handling is strikes. There have been occasions over the past decade and perhaps even longer when ships from other countries have come to our ports to be loaded, but because of strikes and poor transportation policies they have waited for days and days, incurring demurrage charges of approximately $5,000 per day per ship. All these costs are pawned off on the producer of grain.

The result of this inefficient grain handling system has been that Canada's share of world markets for wheat has dropped from 24 per cent to 14 per cent, while the United States, with its more efficient handling system and vigorous marketing efforts, has increased its share from 38 per cent to 41 per cent. Clearly, this is an area of great importance to Canada, and we all look to this government to take some action to ensure that labour disputes in the grain handling industry be settled in a reasonable way.

My party has suggested that it is time we re-examine the old strike weapon, particularly in areas of essential services, which includes railway transportation and grain handling, and that it be replaced by a body that we have named the public interest disputes commission. The powers of that body would be either to settle a dispute or, at least, to facilitate negotiations toward an agreeable settlement. In either case, something is required beyond what we are currently experiencing that would have the effect of smoothing out the business of grain handling and delivery.

There are other members who have indicated a desire to speak on this very important issue, and since we have only an hour for private members' business I would like to conclude by saying that agriculture is a large business which requires the concentrated efforts of governments at all levels and the concentrated attention of all the institutions involved in transport, production, marketing and distribution of agricultural products. Concentrated attention is required toward keeping our producers in business and maintaining a high quality of product to feed the people of this country.

As I mentioned earlier, we have an aging population in the rural areas and fewer people are going into farming. The danger in the long term is that there will be fewer and fewer producers and, therefore, we will not be able to produce enough to feed our people, making us more and more dependent on imports for our food supply. Given the volatile situations which arise in the world from time to time, it seems to me that a government that has a policy of becoming more and more dependent on other countries for our food supply is not looking after the best interests of this country.

We have two choices, and they are these. Either this government takes action to ensure that we continue to do what Canada does best—to grow food in such a way that those involved in the industry will be adequately compensated for their labours—or, if it fails to do that, the only possible alternative which will assure Canada of a long-term food supply is to replace this lazy government. I suggest that the latter is the only solution to this problem from a long-term point of view.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I would like to say a few words on this very important motion before us. The hon. member for Athabasca (Mr. Yewchuk) has called on the government to make agriculture more viable through its policies. My main concern is that unless there are radical changes in the government's agricultural policy, our country will not be by the year 2000 self-sufficient in producing our own needs. That statement was made recently by the Science Council of Canada and is rather shocking in view of the fact that food and agriculture represent $30 billion to this country each year.

Agriculture is our most important industry and a very important part of this country. We must put more stress and emphasis on the food and agriculture system. If we continue as we are now, the day will come when this country will be a net importer of food. Even more shocking is the fact that if we take away the grains and oil seeds which are produced in such great abundance in western Canada, we are already a net importer of food. For example if we eliminate grains and oil seeds from last year's agricultural income, we were a net importer of food into our country in the amount of $1.8 billion. This is a very shocking indictment of the government which sits across the way in terms of its lack of planning in the food and agriculture industry of our nation.

Let us now look at a few statistics which I think are absolutely startling. We are a large country with a relatively small population. If we had planned our food production well we should be producing enough food to feed not only ourselves but other people around the world.

● (1720)

Only 4 per cent of Canada's vast land area is arable land, Mr. Speaker. We have about 460 million acres which can be farmed of which around 104 million acres are under cultivation. This is where things get frightening. We find that through a lack of government policy a lot of that farm land is being paved. We are losing some 250 acres of prime agricul-

ture land per day to factories, highways, housing developments. I understand that the Department of Fisheries and the Environment has federal land use policy under consideration, and I hope this is true. During the past year we have asked the minister many questions about a federal land use program that, with the provinces, would reserve food land for the production of food and that would encourage industrial development on land that cannot produce food. We understand that a policy directive to that effect is being produced. I hope it is a tough policy that will make sure we preserve food land for the production of food.

One of the tragedies of this country is that cities such as Montreal, Toronto and Vancouver are located on the best agricultural land. Once land is paved over it cannot be reclaimed. Once there is a housing development, an expressway, a city park or anything on it, the land cannot be reclaimed. I do not think that makes any sense whatsoever. There are many places in Canada where factories and developments could be placed—sites not far from Montreal or Toronto on land that is not fit for farming. If it were used for this purpose, then the food land could be reserved for the production of food.

The only government to do anything important in this area is the government of British Columbia under the former premier, Mr. Barrett. It introduced a bill four or five years ago that reserved food land for the production of food. A similar approach is being considered in Quebec. I think the federal government should act in this area because there is a lot of land controlled by the federal government that could be rezoned. Cost-sharing plans could be introduced to entice provinces to put away food land for the production of food. These things should be done if we are to have a more viable agriculture industry.

We know that when urban population doubles the amount of arable land is reduced by one third. Today we are importing foods that we should not be importing. I am not talking of growing cucumbers in snowbanks, as the Minister of Agriculture (Mr. Whelan) once spoke about; I am talking about self-sufficiency in such basic things as beef. We produce only about 94 per cent of the beef we consume, and there really is no reason why we could not produce it all.

There are many other products in which we are not self-sufficient, such as broilers. About a year ago the Agricultural Research Institute of Canada said that because of the tremendous importation of chickens the gross economic loss to Canada in 1977 was over $100 million. Mr. Speaker, that means jobs on the farm, in the handling and processing of eggs and food in general. Money could be saved or generated if this commodity was produced in our own country. There would be a positive effect on the balance of trade and on the Canadian dollar. These are reasons why we must strive toward greater food self-sufficiency.

I should like to suggest that we should use a lot of our waste heat and energy to heat huge greenhouses that would produce a lot more fruit and vegetables. So much of what we consume comes from the United States and elsewhere when it should really be produced in Canada.

In a nutshell, Mr. Speaker, I believe that if we do not begin preserving farm land for the production of food, if we do not plan the agricultural sector better, if we do not start encouraging farmers to produce food at a stable price then even if we include grain and oil seeds this country will not be self-sufficient by the year 2000, as the Science Council of Canada has said.

My second concern is that the farmer is receiving less and less of the food dollar. About 25 years ago the farmer received around 60 per cent of the food dollar, but today he receives slightly under 40 per cent. More and more of the food dollar is going to the large wholesalers, retailers and processors—to the middlemen who process, manufacture, package and transport the food. This is a matter which should be of great concern not only to farmers but also to consumers, especially when you look at the rapidly escalating price of food—19½ per cent in 1978. The middle man receives the greatest share of that increase.

Questions were asked in the House today about the escalating price of beef. All of us know that the farmer deserves a greater return for his cattle. For three or four years cattle prices have been poor. When the price of beef went up on Friday by 18 per cent at the stockyards, it was predicted that by today or tomorrow supermarket prices would increase by 10 per cent and shortly by another 8 per cent. I question why this should happen so quickly when they are using old inventory beef from their lockers. The farmers and the consumers are concerned about such things as the power of the middleman, in this case the supermarkets and packing plants, to manipulate prices.

Recently when CSIP issued a report showing that profits in the food and beverage industry had gone up by 63 per cent in the last year, consumers were, of course, scandalized. I think farmers and consumers have found a common villain—the middleman who all too often is taking too large a share of the food dollar. This is an area the government should be looking into.

My third and final concern is transportation. I see the hon. member for Vegreville (Mr. Mazankowski) in the House making notes. I hope he will rise to utter a few graceful words on this subject.

The transportation system in this country is a national joke, as is borne out in statistics issued recently by the Canadian Wheat Board. These show that because of a lack of boxcars and because of deficiencies in the railway system in this country, we have lost sales amounting to $230 million. There is no excuse for this, Mr. Speaker. There is no reason why we cannot have a proper rail system, a good delivery system and enough boxcars to transport the grain to market.

We speak of national unity, of a new constitution and priorities for the country. I see transportation as a key to uniting the nation so that all parts of the country have equal access to trade and equal opportunities for development. It

often makes westerners angry when they consider the discrepancy in freight rates in the country. Cattle can be shipped from Saskatchewan to Toronto on a pound per pound basis cheaper than the processed meat can be shipped. When that is done, the jobs and the money for the processing and slaughtering of the cattle are in Toronto and other parts of southern Ontario. It should be done closer to the source of the product, in this case western Canada. It is because of things like this that Canadians feel alienated and cynical, not just toward the federal government, but to our whole system today. This may not seem important to some people, but it is very important to the beef producer.

● (1730)

The national unity debate is an opportunity to make agriculture more viable and to make our transportation system more equitable for all Canadians.

These are a few of the concerns I have as a westerner in terms of making agriculture more viable and ensuring that we are self-sufficient in food. We will not be if we do not change some of the government policies.

The government must be a lot tougher on the middle man who is ripping off both the consumer and the producer, taking a greater and greater share of the food dollar. As I said about an hour ago in the House, he is radically changing the whole food system in terms of our safety. It is terrifying.

Finally, transportation must be a tool for national development and national unity. It must work on behalf of everyone so that what the farmer produces is processed, developed, packaged and so on as close as possible to the source. In the case of beef, this should be in western Canada. In the case of dairy farming, it should be in places like Quebec and eastern Ontario. The same should apply to fruits and vegetables. These are matters to which we must address ourselves if we are to make agriculture more viable.

Another item for the future is escalating energy costs which are radically changing farming in this country. These might reverse the move from larger and larger more capital and energy-intensive farms to the smaller, more efficient and, in my opinion, more desirable farms. We must look at the cost of energy. It was brought to my attention last week by the Agriculture Institute of Canada that there is not a single person in the Department of Agriculture who co-ordinates energy policy or energy research as it pertains to agriculture. That is one problem the government should correct. It may save this country millions of dollars in the years ahead.

A lot of experiments are being conducted with regard to alternatives on the farm, energy, using some of the waste heat, recycling by-products, the whole question of biomass and so on. More research has to be done and the government should look into this.

If the farmer could be guaranteed a basic standard of living or income, he would produce the food. It is very frustrating to the farmer not to know what his income will be in the months ahead. When he begins to raise a calf in the spring, he does not know what it will sell for in the fall. The same is true of hogs and other commodities. It depends on the world climate, international markets, the stock exchange and so on. That is what dictates the price for his animal.

I maintain that if we make it a national priority to guarantee the price of commodities to the farmer within certain realistic variations, the farmer would produce food. The consumer at the other end of the food chain would pay a consistent price for the product in the supermarket. One need only compare two commodities, beef and eggs.

This government has done a very good job in terms of guaranteeing a constant supply of eggs through the National Egg Marketing Board. The producer is guaranteed a constant price. On the other side, the consumer pays a stable price for eggs, a price no higher and usually lower than that in the United states.

When it comes to beef, it is the exact opposite. The producer never knows what he is going to get for his livestock. There are tremendous fluctuations in the price the producer receives and what the consumer pays. This is bad for both sides.

A few years ago there was an over-supply of cattle. The price went away down. That is the law of supply and demand. Part of the problem was that the government opened up the borders and allowed beef to come in from the United States, New Zealand and Argentina. The farmers did what they had to do. They sold their herds. They got rid of their cows and did not save their calves. What is happening now is a logical extension of that. There is now a shortage of beef in this country. The price is going up. I maintain that is because there is no planning in that industry as in other food industries, such as eggs.

It is necessary to increase our imports. Prices will go up even more. Most economists say we can expect higher beef prices for the next three or four years. Beef is not like poultry or even like hogs. You cannot get into and out of the cycle quickly. It takes a long time to build up a herd. Most cows have one calf a year.

The situation is not like that with chickens. The chicken in the supermarket freezer is probably only 60 or 70 days old. That is how quickly you can produce a chicken. If there is a shortage of chickens, you merely turn on the tap and in a matter of a few months you have remedied the problem. It is possible to regulate the supply. However, this cannot be done quickly with cattle. That is why we need more planning in that sector for both the farmer and the consumer.

I commend the hon. member for Athabasca for introducing this motion and giving us an opportunity to talk about the reasons why agriculture must be more viable. In the final analysis, it is the backbone of this country from coast to coast.

● (1740)

[*Translation*]

Mr. Claude Tessier (Compton): Mr. Speaker, I am always very happy to participate in the debate on topics concerning agriculture, and particularly today when, first of all, the hon.

member for Athabasca (Mr. Yewchuk) put the problem very positively and constructively; I want to congratulate him personally for that. I should also like to tell him that we on this side share his concerns; if unanimity can be achieved we may even be able to give our Canadian agricultural producers the income they need and are entitled to.

As for the viability of agriculture, Mr. Speaker, we can and must speak of it. That is why I congratulate the hon. member for having brought up the matter today; we are that much more concerned about the producer's income that at this time we have reason to express certain doubts about the conditions under which our producers operate; unfortunately, to speak of the viability of agriculture is too often to speak of the industry and forget the producer.

Firstly and importantly, the motion gives us an opportunity to make this House aware of the need to look at the farmer's real income instead of referring to figures and statistics that, because of increases, are very seldom relevant at the individual producer's level.

Second, the motion also provides us with an opportunity to refer both to the need for and dangers of marketing boards in the face of current difficulties. Third, the motion gives an opportunity to deal with the problems faced by young farmers, and this is of tremendous significance because our young farmers are now incapable of meeting today's challenge without support from the government and various farming organizations.

Fourth, this motion could also give us an opportunity to refer to a commitment, not only from this House in a non-partisan effort, but also from our partners at the farming industry level as a whole, because in agriculture perhaps more than in any other industry it is extremely important that everyone understand and assume his responsibilities when the time comes, so that we may collectively support our Canadian farming industry.

In the course of my remarks I will come back a number of times to the dairy policy, because I for one am somewhat disappointed that the dairy producer, usually small and old, apparently is a victim we are unable to protect within the prevailing system. It therefore seems important on the occasion of a motion on farming viability that we be able to address the dilemma we are now placed in by a mechanism that certainly is inadequate to ensure justice to all producers. The motion gives us an opportunity to recall and expose that situation once more, because small dairy producers in particular are victimized.

Mr. Speaker, I mean tampering with the quotas of some producers at the expense of other producers. We know that in 1976 unfair cuts resulted from this, but what becomes even more unfair is that this situation is perpetuated with the complicity of that system.

Mr. Speaker, I also wish to denounce something else, the fact that in some cases the regulations of some marketing boards are not adequate to protect individual producers efficiently. For instance, if you refer to our dairy policy, the family farm is too often threatened. Older producers are too often the victims of injustice and forced to give up when they worked most of their lives on the farm. Yet, Mr. Speaker, we know that those injustices are part of the system and that, unfortunately, the conflict of interest at the level of some officials and some producers themselves prevents anyone from attempting to correct the situation.

We asked many for the publication of milk quotas. Of course, as you know, it was always rejected. There is probably some valid reasons for this but some of them are still unknown and I hope that some day they will be given to us. I for one would be tempted to launch an inquiry on the distribution and administration of some dairy marketing boards and I hope that if those charges can be made it will give us an opportunity to throw light on this issue and to put an end to this injustice towards small and older producers that we must witness without being able to do anything.

Mr. Speaker, let me come back to the question of farming income. I do not think that in 1979 farm producers have a fair income. We should revise the system in recognizing, as a first priority, not the concerns of the industry but the producers' income. In fact, we are over-specializing agriculture at the expense of the small and the older producer. I do not think we have the right to do that because until the last few years Canadian agriculture has been based on our farmers who, through the force of circumstances, were small and who, quite naturally, have aged, but who are still entitled to keep on working in that sector of activity if they so wish.

Agriculture is no longer a business best left to experts and economists, a thing that is managed in backroom talks. It is first and foremost the farmer's business and he must be understood and compensated fairly with an adequate and even interesting income. As far as marketing boards are concerned, I think that we and the majority of hon. members must acknowledge that they have a raison d'être, that they are valuable instruments which we should endeavour to improve. But they should serve the consumer and the producer as well.

But it is time that their applicability to the various agricultural productions be recognized because I do not think that we should stabilize some sectors, which would become privileged agricultural sectors, while producers in other sectors must fight desperately to find a place in our economic system. That is why, Mr. Speaker, I believe we should set up marketing boards as quickly as possible for all types of productions, which will actually serve the interests of producers.

However, Mr. Speaker, the government must always bear in mind its responsibilities towards these boards. I would like, at this point, to examine our responsibilities regarding the

Canadian dairy policy. We are fully aware of the conflicts of interest and the bickering going on over the instruments of our dairy policy, however, the government has unfortunately delegated its responsibilities to certains bodies and by doing so has become powerless in the face of certain cases of injustice.

Third, viability is synonymous with continuity. Personally, that was my first objective when I started out in politics, to ensure continuity and a harmonious resurgence in agriculture with our young people who are capable, who can become competent and who have enough courage to hang on and bring agriculture in the modern era. Naturally I had to set this concern aside temporarily because we had to concentrate, and I think that it is still the case today, on establishing marketing boards and solving all the internal workings problem so that the boards could be operative and efficient. Modern agriculture is a business with modern rules which does not tolerate trial and error. It will never again be what it was, and that is an important thing to understand in order to respond appropriately. It must be allowed to become what it should be.

Fourth, we must recall what our responsibilities are and remember that as partners in the Canadian agricultural industry we have a role to play and that role must be played at the right time and in the right place. Thus each one of us has, in his own field, to review his own responsibilities, and each one of the partners must become more knowledgeable, more competent and no less responsible. Because the success of a farm business depends on the capacity of the partners to work together in the sense of farm economy and of the farmers' income, and at the same time to satisfy the consumers.

That is the new challenge of the day and of the near and more or less distant future.

A perfect illustration of the dilemma that I have put, as regards the income of marketing corporations and the responsibilites shared by the partners in the industry, is the national dairy policy, as we all know. And the last annual meeting of the dairy farmers of Canada showed us that on the whole the Canadian industry is doing well. But on the farms, everyday we meet producers who would need higher quotas and who frequently, in the past and even now, are penalized for overproduction. During that period prices for quotas went higher and higher. Three years ago you could buy quotas for $1.37 a hundred weight. Today you have to pay $14, $16, $20, $22 a hundredweight. I for one am prepared to ask the government to take back those responsibilities because it is responsible for the well-being of producers and individuals.

As far as the national dairy policy is concerned, regulations should be the same for everybody and the protection should be effective for all, provided however the protection of small producers is ensured and guaranteed first. The question is: Who can and must protect small producers under the present Canadian dairy policy? Who has that responsibility? Who has the necessary capabilities? The answer is quite simple but at the producer's level, as among people generally speaking, they are not well informed. The solution, Mr. Speaker, lies in marketing boards or federations of producers. However, in Quebec only the Agricultural Producers' Union could require the federations of whole milk or industrial milk to do so as they are always facing conflicts of interest.

For its part, the federal government cannot do anything because it transferred that power and responsibility, I should say, to provincial agencies at their request. Certainly the Agricultural Producers' Union can do what it wants but for my part, I cannot let small producers disappear without trying to do everything I can or to ask the producers' union to agree to do so, something which I think is advisable for the APU and for producers, or ask the federal government to take upon itself to do so when it has abolished the supply management committee and to take control again probably by subsidy quotas.

So it is important to know who is in control and who is responsible for problems and for solutions and to know if we can hope to settle those problems. Time has come now for someone to say that recreation is over and to take the necessary measures. If it is impossible to do so willingly, that must be done forcibly, that is the government should intervene but only as a last resort. In other words, they should not try to do anything if issues are not definitely settled.

As a member who sees what happens in the milk sector, I want people to understand in what kind of situation any hon. member is placed. First it must be said that the administration and the distribution of quotas is the sole responsibility of the federations at the present time. It is a fact which should be recognized. The only responsibility of the federal government or of the Canadian Dairy Commission or of the Minister of Agriculture (Mr. Whelan) is to define Canadian needs and tailor production to demand. As a matter of fact, it is up to the producers, or their representatives, or the supply management committee, or their own federation of whole or industrial milk, or by extension to the Agricultural Producers' Union to distribute the quotas among the farmers.

● (1750)

[*English*]

Mr. Yewchuk: Mr. Speaker, I wonder if the House might give some consideration to a brief extension of this debate. There are at least four hon. members who would like to speak for five minutes or so each, just to round the debate out. I would appreciate the consent of hon. members opposite and of hon. members to my left for a brief extension, on the understanding that there will be no vote. That is over with now, but I would like other hon. members to have a chance to say a few words.

[*Translation*]

Mr. Yves Caron (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, first of all I want to thank the hon. member for Athabasca (Mr. Yewchuk) for introducing this motion and giving us an opportunity to talk about agriculture

as a whole. Of course, this debate is very important, and we also have something to say in the area of agriculture but because of the time of the House, we cannot accept to extend the debate because we already gave our point of view through the hon. member for Compton (Mr. Tessier).

[*English*]

The Acting Speaker (Mr. Turner): Order, please. It being six o'clock, I do now leave the chair until 8 p.m.

At 6.01 p.m. the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

HEALTH RESOURCES FUND ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Miss Bégin that Bill C-2, to amend the Health Resources Fund Act, be read the third time and do pass.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, the move to withdraw from participation in a program recognized as needed by both the federal and provincial jurisdictions reminds one of the land registration and identification program which was undertaken jointly by the Government of Canada and the maritime provinces. That program was evaluated by the Department of Regional Economic Expansion and the various provincial governments of New Brunswick, Nova Scotia and Prince Edward Island. They studied how land registration problems could be solved, and a program was undertaken. It was agreed each province could afford only so much money on a per annum basis. It was agreed the federal government only wanted to expend a certain fixed amount of money on a per annum basis.

● (2010)

The program was set down for ten years. The expertise and administration structures were assembled. The co-operation between federal and provincial authorities was effected, and the program was under way in a very progressive fashion. It would have placed the maritime provinces in a land registration program which was second to none. As a matter of fact, in the early years of its planning it was examined by several foreign jurisdictions which were somewhat in a bind and needed a comparable or new program.

As was the case in many other financial situations which the government pushed itself into, it chose to withdraw, to limit the available funds, to constrict the program, and virtually to waste the initial years in which much value had been accumulated. If the program is to be completed, it will be completed by the provinces doing their work under a much retarded program during a period of time when the complete program was required.

In the field of health, again the federal government has failed to predict its capabilities. It has failed to estimate properly the amounts of money required for various programs, and to project them in budget fashion far enough ahead to obtain the correct expenditures in the correct years without a breach of promise. Like so many other things, this is breach of promise by a government which has put itself in its own bind.

One can recall the repeated speeches of all opposition parties in the House. They were critical of the government's failure to predict its requirements two years, three years, four years or five years ahead. The government would not put those requirements on the table. If it had put the requirements on the table five years ago and projected to this point in time, one would find that the provinces which share the cost would not be in the embarrassing positions in which they now find themselves. The provinces could have projected their requirements and spread the money out. It could have been done in a manner so that all provinces would have received the benefits of the programs under health and land registration services which are now being cut. This is another example of where the provinces are being used as the guinea pigs of politics by the government.

This afternoon we heard an answer in the House by the Minister of National Health and Welfare (Miss Bégin) in reply to a proper request pertaining to health. She indicated that we should speak to our provincial ministers of health, as if there was no responsibility of the Government of Canada in a cost-shared program. That is not the case, because the guidelines are laid down. If a province is not operating as the federal government wishes it to, then the federal government lowers the boom and withdraws money. But when a province wants out, then the Minister of National Health and Welfare says, "Speak to your provincial minister." It is an iniquitous transfer of political responsibility to others who have no control over the situation.

When the President of the Treasury Board (Mr. Buchanan) pulls the puckering string on the purse, the money no longer goes to the provinces, and the provinces must answer to the people. They are the ones who receive the direct blame. It does not make any difference whether it is Ontario or New Brunswick; it constricts provincial programs and planning. This is not in line with any program which is intended to create a unified Canada. It is a continuous confrontation with one provincial minister after another because of the retraction of a position which was in place. It is a reflection upon the absolute need for long-term planning and commitment which Canada can recognize as a promise to be fulfilled and not withdrawn.

If we were to look for promises which have been withdrawn, I suppose we would not have to go very far. We could go back to the Department of Transport release of last week. We would

see that while money is being withdrawn from health programs, the government recognizes the political requirements of certain ports in the country and has promised Newfoundlanders a synchrolift in St. John's, for the second time. I wonder if they will get a synchrolift. It was promised in the past, and obviously it is an election promise at this time. It is a promise made by a government which already has broken two promises.

An hon. Member: We never did.

Mr. McCain: The government did. It broke the land registration promise, it broke the contract. It has broken the contract on these health plans which come under the act. Also the government has broken its promise of a synchrolift for Newfoundland. I imagine the announcements of the Minister of Transport (Mr. Lang) will be looked at with a very sharp magnifying glass to see if a cheque has been issued, if it is in hand, and if the synchrolift has been ordered. They will be looked at because Newfoundlanders will remember how the government cut back on health services.

There is a great deal to be accomplished in health. I cannot hope to compete with the medical group who have spoken on this matter, such as the hon. member for Athabasca (Mr. Yewchuk) and others. As a member from a small town, I understand the difficulties small communities have in obtaining doctors. At this point in time it is ill-advised for the government to withdraw anything from the health program because such action further discourages doctors to move into some of the smaller communities. It puts the facilities the program would have bought farther away from those small villages than they otherwise would have been.

The program was undertaken with the idea of first building the most important health centres in the provinces concerned. As soon as the major centres were served, then it was planned to look at the outlying ones. This was not because health care was any less important in more distant points. It was because it was imperative that the capability be in place, province by province, and extended as fast as possible to as many communities as possible. The maritime provinces are faced with an uncompleted program, one which must be completed in due time but at a slower rate than otherwise planned. Once again smaller communities around the country will find it more difficult as time goes on, because of the slowdown in the supply of services which they so badly require to look after their health needs.

Perhaps this is the price of federal mismanagement which is being paid by the communities and provinces of Canada. It was a poor estimate of the general cost of government down the line. It is another example of the government's effort at so-called austerity. It is coupled with the withdrawal of moneys from Indian health services and the proposal to reduce payments for hospitals and medicare. It is a high profile program of federal government expenditure. It is intended to illustrate to Canadians as a whole that they may not want federal government austerity. The emphasis placed by austerity on health research in general indicates that the government is looking for complaints from the public about austerity and trying to say, "There, I told you the people do not want austerity after all. They do not want it at all, they only think they want austerity." That is far from the truth.

● (2020)

We have a program which is being cancelled two years before its proper date, and it is being cancelled without prior consultation with the ministers of health in the provinces concerned. As I said earlier in my remarks, it has been cancelled without any assurance or firm commitment that the projects presently under way will in fact get the money which the provinces thought was committed because this little bird was cut off so close behind the ears even the payments which are committed are not assured to the ministers.

There is no question but that the provinces concerned will have to proceed with the programs which were intended; the buildings, the facilities, and care services, because the provinces in good faith have extended the assurance to these various communities that in year one, two, or three, the facilities they require will be built in co-operation with the federal government. These statements have been made by the provinces in Canada, but now the provinces will have to go back and say that because of the withdrawal of federal funds they will have to move these projects down to year one plus one, year two plus two, and year three plus three. They will apologize, but follow up by saying that this is not too far away. This is a transfer of political liability, political responsibility and political blame, not just to New Brunswick, but to every province in Canada that was trying to improve its extended care and educational facilities in the health field.

We have to look at this from a national point of view and on a national basis. I have tried to do that. I will admit that it is my resonsibility to represent New Brunswick, and I do that to the best of my ability, but not without having a conception in respect of the national impact of all these things.

What this means is that Campbellton will be a little later in getting the facilities which the province of New Brunswick had planned for that city; that Edmundston will be a little later than it had planned in receiving its facilities and services; and that the city of Saint John in the province of New Brunswick will not know whether the federal government's commitments will be kept for the construction of facilities and services already planned with moneys already committed by the provincial treasurer. In this case I happen to know whereof I speak, and I am sure that such a situation is not unique to one province in Canada as this applies on a national basis.

No one is any more anxious than I to see this government cut down on its expenditures, but what I want to see from this government is one single, really sincere effort to cut a low profile item rather than a high profile one, proving to this nation that austerity is its objective, rather than proving to Canada that austerity is unacceptable, which is its present objective. This is totally unacceptable as a program of government under any guise.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I am happy to take part in the debate on Bill C-2. Even though it looks quite weak and simplistic, this bill holds some unpleasant surprises in the general area of public health care. Mr. Speaker, the health resources fund, which was created in 1966, will normally be of use to public health care for another two years. However, this government has gotten into the habit in a time of peace and abundance, or at least of so-called abundance, to hack away at expenditures. Unfortunately, it does not cut back on extravagant or useless expenditures, it prefers to cut back on useful and essential expenditures, especially as concerns health care for the Canadian population.

Health is a great gift, Mr. Speaker. It is the greatest of gifts for all mankind. We jealously protect the health of animals and ecological systems, but unfortunately, when it comes to the health of our fellow citizens, we have a tendency to put health aside to save money. Under the circumstances, Mr. Speaker, this has become a real paranoia because certain programs which are well-designed and essential for our welfare will suffer.

The Minister believes that the health resources fund, which was created to provide assistance to the laboratories and the necessary facilities to train medical and health care personnel, must be abolished. In her wisdom, she has thought up this idea. Already, in the sixties, it had become necessary to improve all health services and their availability. Indeed, this has always been necessary. The government had taken the leadership in this field by establishing new health insurance and hospital insurance plans. But today, it no longer wants this leadership. It is unfortunate that it will finally be the provinces who will be the victims of these drastic measures.

Of course, I agree with the minister that the situation has considerably improved in the field of health care, especially as concerns medical personnel. We have today a satisfying number of physicians, a good number of new graduates, but a number of them must now expatriate south of the border. We also have a surplus of nursing workers, human resources are there and the health resources fund has helped in various ways to develop that qualified personnel. However, all is not completed in the health care area.

An area which has been much forgotten is the one related to hospital administrators who have become needed because of the nature and complexity of the problems in health institutions. We must therefore develop efficient administrators for the smooth running of hospitals and to reduce some of the wastes occurring there. The work climate in certain hospitals is unbelievable or unbearable, which lead to the downgrading of health care. There are conflicts between medical and administrative personnel, lack of planning and in certain instances lack of discipline.

All that to say that the training of administrative personnel was neglected relative to the training of medical and nursing personnel. The objectives of the health resources fund program must not be forgotten but redirected to meet new needs. At a time when the provinces must support an increase in part the whole financial burden of social and health services the federal government drops them without much consultation. I do not want to address those criticisms directly to the minister of course who, unfortunately, must abide by the decisions of cabinet on the spending cuts.

So there are areas for which we must do less and others for which we must do more. That is why I think those funds should not be cut but redirected to more urgent areas. One area I feel particularly strong about is that of preventive medicine, particularly in remote areas. Indeed, millions of dollars could be saved if we had personnel assigned to disease prevention. And how could one forget medical research.

In the very words of the minister in the debate last Thursday, over $100 million were assigned to research institutions through the health resources fund. Medical research is not only necessary but primordial in industrialized countries like ours. We know that federal contributions to research institutions have been cut somewhat for quite some time now. We even had examples of that in the area of fisheries and forestry.

Scientific research which requires considerable investments in technology and qualified personnel must nevertheless have all the necessary financial security so research projects will not be interrupted before they are completed. There can be no talk of restrictions when it comes to the health of people. No, Mr. Speaker, when it comes to the most precious asset of a people, I do not think it should be a question of dollar signs. I am in favour of eliminating as much useless spending as possible but I will not be convinced that necessary programs should suffer unfairly from that epidemic of budget cuts. We must be careful. We might be criticized by future generations for having failed to make the necessary investments, to wit in essential areas such as those dealing with health care. We are gathered here to provide a better fate to all Canadians and we must not forget it. A well-known maxim says that health is priceless.

When I consider Bill C-2, it is not so much its contents which concern me but rather the fact that it is gathering weight and that we are told that other cuts will soon be made in the health area. Indeed it has already happened in the case of Indians. They did not appreciate the cuts suggested in their health scheme. They are therefore the most deprived in that connection. We only have to remember the mercury poisoning cases and still recently the high rate of tuberculosis cases which have been detected.

In conclusion Mr. Speaker, as I said earlier, I do not like cuts in the health field. I would rather have a more rational administration of health services so that each Canadian may be provided with every service available and enjoy his most precious asset, his health.

• (2030)

[*English*]

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, when this bill originally came up for debate, I had not intended to participate, but as the debate began to develop I began to feel that I wanted to participate briefly because I became concerned that it was a continuation of the line of debate put forward by the official opposition in which they try to be all things to all people. In the preceding months the opposition have been preaching restraint, but they have since concluded that that is wrong, and now they want a much larger program of deficit spending.

In this case, however, where the government, as a result of examining programs to determine if the money being spent is being spent wisely, has decided to discontinue a program, the opposition takes the opposite position, that it is creating undue hardship. Surely the hon. members for Rosedale (Mr. Crombie), Rocky Mountain (Mr. Clark) and York-Simcoe (Mr. Stevens) have come to appreciate over the last few days that it sometimes hurts being on both sides of the fence and hitting the fence posts.

Specifically, I wanted to rise tonight because I had the privilege of—

Mr. Hnatyshyn: Referenda.

Mr. Milne: I see by tonight's press that the opposition is on both sides of that issue as well. The hon. member for Kingston and the Islands (Miss MacDonald) has said that they probably would not rule out a referendum if the case called for it. I think that the hon. member should read what his colleague has been saying before he makes comments like that.

With regard to the bill, I wanted to make a few comments because I once had the privilege of serving as parliamentary secretary to the Minister of Indian Affairs and Northern Development. There have been a number of remarks made inside and outside this House by members opposite to the effect that the Minister of National Health and Welfare (Miss Bégin) and the Minister of Indian Affairs (Mr. Faulkner) were greatly cramping the health care extended to Indians. First of all, I thought it was unique that the opposition would debate this issue in association with this bill simply because this bill deals with the health resources fund, a program jointly shared by the federal government and the provinces in order to build health training facilities. It seems to be acceptable, however, in this debate to offer an opinion on almost any aspect of health care, no matter what it is, so I thought I would take this opportunity to respond to some of the comments which have been made about issues regarding native people.

If hon. members would review *Hansard* they would find questions and statements made to the Minister of National Health and Welfare which could give Canadians the idea that somehow the government was jeopardizing the lives of native people, that it was promoting suicide amongst them, and that it was causing undue hardship to them in terms of health care by depriving them of a basic service which all Canadians have a right to expect. I would like to clarify the record and indicate that the government, and I am sure this parliament as well, are not at all happy with the level of health among our native people and that we want it to be much better. This is certainly not the situation indicated by some of the members opposite.

In terms of infant mortality, in 1960 there were approximately 79 deaths per 1,000 live births. In 1976 the number decreased to 32.5 for native people. The comparative figures for the white population were 27 in 1960 and 14.3 in 1975 per 1,000. It is interesting to note that in the outlying and remote areas of Canada the rates are just about the same for both white people and native people. The death rate for Indians is almost the same, and their life expectancy is not much different. While there is room for improvement on these figures, I would like to indicate that the situation is certainly not as bad as members opposite have indicated.

I would like to comment on the guidelines the Minister of National Health and Welfare announced some time ago which have been the subject of questions and debate in the House and, indeed, were the prompting of a meeting between the minister, the National Indian Brotherhood and a number of Indian leaders. It was indicated by members opposite that somehow there had been a gearing down in health services offered to native people in Canada. That is not true. Surely members opposite know that primary health and hospital care are provided to the native people through the same medicare programs which are provided for non-native people across Canada.

In cases where there is hardship, as for example on reserves where there is no economic base, the Department of Indian Affairs and Northern Development and, more specifically, the Department of National Health and Welfare, have spent a good of deal of money to increase their services and support to the program through hospitals, nursing stations, staffing of health care centres and through funds given directly to them.

• (2040)

The guidelines apply to the kinds of expenditures that are not covered, or what would be known as primary health care and hospital care situations, including eye glasses, dentures, prescription drugs and medical transportation services. I should like to put on the record the five things to which those guidelines referred: elective ground transportation by cars and taxis; elective dental care; supply of glasses, especially items such as special frames and tinting unless they were medically indicated; supply of non-prescription pharmaceuticals such as aspirins, tooth paste and hair shampoo. Individual Indians with incomes which are substantially greater than the provincial welfare limit are being asked to contribute to the cost of some of these items of health care as is the situation in the non-native community.

I think hon. members opposite should appreciate that it is incumbent upon the government to analyze these programs from time to time and, if there is waste, and if the administration is such that it is impossible to be sure the money is being well spent, then look at the guidelines. If the expenditure is not

necessary, surely that indicates the money will be subtracted from the basic health care. I am sure my colleagues would join me in arguing that discretionary health care expenditure should be as low as possible so that more money is available for the core activities that the native people need, deserve, and should have available to them. I think the debate in the House has revealed there are many situations that really do not relate to the basic health care but which are causing some problems in the native communities.

I do not share all the views of the hon. member for Churchill (Mr. Smith), but I think he had a valid point today when he referred to some of the problems in regard to native housing. He used the example of an extremely cold house with a high humidity level, and pointed out that if it was sealed and insulated heavily to conserve heat, that may not be the most healthy situation. I would suggest, however, that many of the native problems are related to water supply and sewage, but these are not the kinds of things covered in Bill C-2. Hon. members opposite must know, if they have read the bill, that those are not the things that are indicated.

This afternoon the hon. member for Yorkton-Melville (Mr. Nystrom) made a good speech and pointed out the advantages of a good lifestyle and how it could help improve health and thus decrease the cost of hospitalization and medical care. His point was well taken.

When the hon. member for Churchill spoke, he was very critical of the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo) for contributing to amateur sport. His argument was that the money should be going to health care. Surely if the minister's department is making contributions to a better lifestyle for a generation of Canadians, that will reduce their dependency on health care facilities. Is this not a better approach than funding programs that may or may not be essential for basic health care?

When the Minister of National Health and Welfare met with Indian leaders to discuss this subject, she told them that her department will be most willing to review any cases of individual hardship reported to it. I understand from her parliamentary secretary that to date no cases have been drawn to the department's attention.

The minister was careful to point out to the Indian community that an appeal procedure was contained in the guidelines which could be followed by anyone who felt they were unduly harsh. Also, in order to set aside any of the basic concerns in the native community, the minister agreed to delay implementation of the guidelines for a six-month period. This was conditional upon there being consultation at the band council level with local officials of her department and of the Department of Indian Affairs and Northern Development. The discussion would then advance to the regional level and, as it matured to the national level the National Indian Brotherhood would be involved and, I suspect also, the cabinet committee. This consultative process should be productive in this case as well as on other issues affecting the native people, the Department of National Health and Welfare and the Department of Indian Affairs and Northern Development.

The minister went further and agreed to fund the process. If any case of hardship is drawn to the attention of either department, hon. members opposite can be assured it will be dealt with. If the native people have genuine concerns, the consultative process has been established and is financed by the government.

Another point is the recognition that it is not either a treaty or aboriginal right to provide the kind of health care about which we have been talking. It is just the social policy of this government that has been supported by virtually every member of this and preceding parliaments that have wanted native people to have good health care and were prepared to make sure that the funding is available. In view of the debate that has taken place both inside and outside this House, Mr. Speaker, I just want to comment that this is not a new policy. It relates to the expenditure of money for ground transportation, cars, taxis, dental care that the individual likes to take on his own, the supply of glasses, tinted glasses, special frames, non-prescribed drugs, tooth paste, hair shampoo, aspirin, and also the requirement of asking individuals—be they native people—to pay if they can afford to, as is the case in the white communities.

I think both the Department of National Health and Welfare and the Department of Indian Affairs and Northern Development have done a commendable job of affording facilities to native people. Medical care and hospitalization are not affected, nor are essential or emergency services such as ambulance, air evacuation, supply of essential drugs or emergency dental care.

Not long ago I was in the far north, Mr. Speaker. The plane I was returning on was stopped and we were asked for eight volunteers to give up their seats so that a native person who had suffered a serious heart attack and another who required major surgery could be flown south to the best hospitals in Canada. It is a well established policy that natives in the outlying communities are flown to Yellowknife or Whitehorse, and if the medical attention and facilities there are not adequate they are then flown to Edmonton or Montreal, or wherever the facilities exist for them to have the same kind of medical attention that is available to any of us in this House.

● (2050)

The hon. member for Athabasca (Mr. Yewchuk) inferred that the budget has been drastically cut and therefore is extremely unfair to the natives. That statement ignores the fact that the budget has been increased in this area. The total Indian health activity cost for salary and operating has been increased 13 per cent from the year 1977-78 to 1978-79. I wish to put on record the actual numbers. In 1977-78 it was increased from $78,188,000 to $88,677,000, an increase of some 13 per cent.

In the non-insured services to all Indians, in 1974-75 the department spent approximately $17.5 million. That was increased in the year 1975-76 to $22¼ million, an increase of 27 per cent. In 1976-77 it was increased to $24½ million, a further 10 per cent increase. In the year 1977-78 it was

increased to $27.4 million, a further 12 per cent. In the budget year 1978-79 the total is $30 million, a further 10 per cent increase.

In terms of the government's commitment to adequate funding for medical care and facilities for native people, there can be no question that even with the over-all government policy of restraint this budget item has been substantially increased in the last five budget years, ranging anywhere from 10 per cent to 27 per cent.

I wish to speak to the hon. member's last point in connection with the guidelines. He stated that individual Indians with incomes substantially greater than the provincial welfare limit would be asked to defray some of the costs themselves. That is a standard situation across Canada. People well know that those items not covered in a province under the basic health care plan must be paid for by the individual. If they are in a situation where they are elderly, have a very limited income or a disability and are unable to earn income, there are provincial programs that will assist them. In the case of native people, there are federal assistance programs. In those areas where there is no economic base for the native people to earn income, assistance is available.

There are a number of native people who have very substantial incomes. In terms of trying to maximize the health care provided with the $30 million that has been budgeted, it seems only right that those who have the ability could and should pay. Most of the money should go to assist those who genuinely need it.

In conclusion, I again say that I appreciate the opportunity to enter this debate. I wanted to clarify for those who have been alarmed that somehow the government is cutting back on health care services to Canada's native people that the opposite is the case. In spite of restraint this year, the budget has been increased by 10 per cent. The guidelines only address themselves to discretionary spending in the health care area, asking that that be looked at a second time and to verify or authorize before expenditures are made. They ask that native people who can afford those items be asked to pay for them. I would be very surprised if many Indian leaders argued with that point. In adjusting its social programs, the government is trying to direct more money to where the need is greatest and perhaps not as much to where the need is not so evident. With those remarks, Mr. Speaker, I thank you for the opportunity to participate.

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, we have heard a great deal of debate on this bill which is very loosely related to the provisions of the bill itself. In fact we have heard from the government side a self-congratulating account of how it first came to invade the field of health care in the 1960s, forcing reluctant provinces into cost sharing programs on which it has since unilaterally welched. Speakers on the government side, of course, have taken the strange tack of praising themselves for the good work they did in setting up these health care programs, when in fact the whole substance of this bill has to do with knocking down the health resources program. Members on the government side might benefit from reading the bill again. It is only one paragraph long in its essential part. All it says is that the government is backing out of its commitment to the provinces two years early.

Three years ago I had occasion to join in debate on another bill in which the government was backing out of another aspect of its commitment to the provinces. In the mid-1960s the government held out a financial carrot to the provinces to force them into cost-sharing medicare programs. Provincial health ministers could see then that the carrot was rotten, but since the federal government had drawn to itself so much control over government spending and over programs that belong in provincial jurisdiction, the only alternative was to accept this rotten carrot or to be denied funds that were being offered to other provinces.

The result of joining these cost sharing programs was that the provinces became involved in increasingly costly programs whose costs have been escalating through the 1970s to dizzying heights. Ontario had already embarked upon a health care program that suited its own needs as a province. The Liberal government in Ottawa put it in a position of having to opt for the shared program put forward by the federal government, and it has been saddled with that program since.

I do not suggest for a moment that health costs have risen only because the federal government is involved in them. Costs have risen in almost any direction we care to look in the service industries. On the other hand, the pace at which costs escalate can be controlled in certain ways. If the provinces had been left free to find their own solutions to the escalation in health care costs, they might well have been saved from the problems they find themselves faced with when the federal government, finding the heat in the kitchen too much for it, decides to quit and suddenly abandons the programs into which it had forced the provinces.

Medicare costs are not the direct issue in this present bill, but they provide the means of getting at the principle underlying the bill. The government is doing the same thing it did three years ago when it decided unilaterally to throttle the cost-shared program commitment it had made with the provinces. At that time, finding that it was spending more than it wanted to be involved in spending, it simply sat down and said in effect, "We don't like the terms of the agreement any more; we're going to cut back on it." Now, once again, it is doing the same thing with a program it set up with the provinces.

Three years ago when the government decided to renege on its medicare commitments, I said, thinking of my own province of Ontario, "We knew at the outset that the provincial medical care program was superior to the federal program that we were asked to join. We also knew what we were dealing with in this case. There was no way we could be sure that the federal government would honour this agreement. We, like the other provinces, knew that this government's record of keeping its word was hardly conducive to placing very much faith in this particular federal-provincial agreement." Well, Mr. Speaker, sadly but predictably, I say the same thing again today about the program which is being thrown out in the present bill.

• (2100)

The principle involved here, Mr. Speaker, is the principle of good faith. A government that bargains in good faith does not commit itself to particular levels of spending for particular periods of time and then, without consultation and agreement, announce a change of heart. In the previous bill three years ago, the government pleaded that health costs were rocketing out of control. It couldn't stand the heat. It wanted out. Well, this time the government cannot use that excuse, Mr. Speaker, because it sponsored the program which is being scuttled in this bill, a program to increase the health care training facilities in Canada and committed to it an amount of $500 million. Now, having decided that the way to save its own neck is to cut back on spending, it has found this program and has discovered that by chopping it, it can announce a saving of $84 million.

The costs of this program can certainly not be said to have rocketed out of control. The funds were voted for it back in the mid 1960s—$500 million to be spent over a 15-year period. As other speakers have pointed out, those dollars have shrunk mightily by today's standards. Accordingly, inflation has already taken a great toll on the program's funding. Now, two years before it had said the program would end, the federal government wants to end it, dealing yet another blow to the building up of health care facilities across Canada.

There are two ways of looking at the principle underlying the bill, Mr. Speaker. There is the way suggested by the minister when she introduced it. She told us the program had already been 83 per cent spent and had therefore accomplished many of its purposes. Accordingly, she regards it as an easy program from which to steal, to make up the budget cuts to which the government is committed. But there is another way of viewing the principle underlying the bill. It is that the government, seeing itself in disfavour with the electorate throughout the country and realizing that its wild spending habits over the past few years have landed the country in enormous trouble, is looking for a way to save its skin. It has sifted through its programs looking for ways to appear to save money without losing too many votes. Looked at in these terms, this bill has very little to do with good government and a lot to do with this government as it tries to save its own skin.

If the program was good in its conception, then the government should have the courage to maintain its level of funding, especially considering how much more cheaply the government comes by this amount of money these days. Even if it were a flawed program, unilateral decisions to cut off bilateral agreements are far from civilized. They are so close to the law of the jungle that no government which cares to keep good faith with its electorate would ever be guilty of them.

When the Trudeau government suddenly cut the funding of its shared-cost medical aid program three years ago, we in Ontario were faced with the threat of hospital closings in many communities. Now, once again in Ontario we are faced with the possibility that a new fee may be levied on chronic care patients who stay in hospital more than 60 days. There are no easy solutions to the problems of cost in such social programs as these, Mr. Speaker. For that reason, governments must work all the harder to make sure their programs are intelligently conceived and responsibly carried out. How can the provinces plan long-term programs if they are bound to the federal government in a shotgun marriage which always threatens a sudden divorce? How can Ontario—to refer again to my own province—maintain the level of health care it had planned for its citizens if the federal government keeps twisting in the wind? Why did the Liberal government railroad the provinces into these shared-cost programs at all if it has the gall later to leave them hanging?

One fact is obvious. When the federal government leaves a provincial government in the lurch these days, it is never a Liberal government which is affected. The voters have seen to that. And perhaps that is why the Trudeau government has the gall to practice cost-cutting in this way. It forces the provincial governments to cut back on services and the provincial governments, except for the one in Prince Edward Island which will probably not be there long, are not Liberal. Perhaps the Trudeau government hopes, in this way, to stir the anger of the electorate against other parties. But people have lived with this government long enough not to be fooled.

When a user fee becomes necessary for long-term hospital patients in Ontario, the voters of that province will know that it is a Trudeau fee they are being asked to pay. It is a fee for having a Prime Minister in Ottawa who reneges on commitments. In provinces like Ontario the voters are already anxiously waiting for the Trudeau government to get out of the kitchen. The government cannot keep its promises, and the deceptiveness coming out of the goverment kitchen is no longer acceptable to the people.

In terms of the Ministry of National Health and Welfare specifically, the country is already aware of the many aspects of bad administration that prevent programs from operating smoothly and efficiently. Last night we saw a confused health minister appearing on television after the late news to explain the unexplainable to us in terms of the child tax credit. Mothers who have never been asked to fill out income tax forms before are now required to jump through a bureaucratic hoop that even the minister didn't seem to understand. Similarly, many will also have to apply for a social insurance number. And senior citizens who are accustomed to filing their tax forms early in the hope of receiving an early tax rebate must suffer the very considerable inconvenience of waiting in line to get their T-4 slips at the end of February, whilst the minister of health tries to work her way through the jungle of her own red tape.

If the provinces had been given warning that the government was reneging on its commitment, Mr. Speaker, we might have been able to take comfort from the fact that at least the minister of health was giving up trying to run one program. Shortly we shall be able to take comfort from the fact that she won't be running anything. In the meantime, we are faced with the bill before us, which leaves the provinces in the lurch and gives the government an opportunity to say it has saved money.

As other speakers have pointed out, every dollar spent improving medical research and extending health training, especially in preventive medicine, saves many dollars in later health care costs. If we are to have truly effective health care, then some of the money which the federal government is saving will no doubt have to be spent by the provinces. What we are faced with in this bill is one more piece of face-saving legislation by a worn-out government.

Mr. David Crombie (Rosedale): Mr. Speaker, I am pleased to be able to speak on this bill, primarily because of what it reveals about the way in which the government is dealing with its own understanding of restraint. The minister has indicated that the program we have had since 1966 has been a good program. I think all members of this House have agreed that it has been good and useful in a number of ways. According to her own words, the minister has reluctantly come to the conclusion that because of the need for restraint it is necessary to cut the remaining funds under the program, 83 per cent having been spent. It seems to me that there are three or four things that this reveals about the way the government is going about its business in this matter.

• (2110)

First let me deal with the question of research and development. I think it was June 1 of last year when the government indicated that it wished to re-establish its credentials and become enthusiastic about a policy for stimulating research and development, particularly in the fields of science and technological growth. That was the way the government wished to proceed from then on in. What we see with this bill today is another example of the difference between words and reality. I would like to cite a few statistics with respect to the government's commitment to research and development, and many more could be gathered.

The government has cut out $8.5 million from the support of science in the Department of Agriculture. The government has cut funding of $3 million from the extension to the Lethbridge research laboratory, $2.8 million in contributions toward construction of veterinary colleges, $2.7 million from the Canadian Dairy Commission for product research and promotion programs, $.8 million in grants to universities for water resources research, $1.4 million from the Alberta Oil Sands environment research program, $700,000 from stratospheric research, $2.7 million from the pollution abatement technology program, $2.8 million from the Newfoundland environment centre and maritime forest research centre and $11.1 million from the Department of Fisheries.

There are many examples outside the field of medical research where, over the years, we have seen a continuing cutting away from research and development funds, particularly in the fields of science and technological growth.

It is worth while pointing out that the Medical Research Council is responsible for approximately half of all the biomedical research funding in Canada. Let us look at the record in terms of the government's commitment to research and development in that field. In terms of the total budget of the Department of National Health and Welfare, the Medical Research Council's budget has fallen from 1.33 per cent in 1971 to 1.3 per cent in 1972, to 1.14 per cent in 1973, to .87 per cent in 1974, and currently it is batting about .6 per cent. I think that should be underlined because it is a reduction, in the short space of seven years, by two thirds in the field of medical research as it pertains to the ability of the Medical Research Council to obtain funds from the minister's department. That is not a policy of stimulating research and development. That is a policy of constantly cutting back, and it is very much a false economy.

There are a number of reasons why research and development, particularly in the medical field, are important, not the least of which is to remember that the end product of research is prevention. Research is designed to prevent the occurrence of disease and ill health. It seems to me that it is significant that where we might understand restraint in all other forms of industry, enterprise or business, the government fails to understand it when it comes to medical research. The importance of long-term research is that it diminishes the cost of health care. Therefore, to cut off funds at the research and development stage is indeed a false economy. However, it is not something which does not affect people. It affects people very directly because it affects them with regard to something which ultimately matters to them most, that is, their health.

It appears to me, particularly in the last ten years, that when it comes to the crunch and when it comes to cutting out funds, we always make sure that we cut off our future. This government is saying that in the name of restraint it is going to have to cut medical research, which will have the effect of establishing new procedures and new technology with respect to preventing ill health and with respect to providing health care for those who suffer from ill health.

Perhaps it is even more significant, but in an entirely different direction, that when we cut off research programs, particularly in fields which are scientifically sophisticated, we lose not only what we might have gained from research, but we also lose researchers. This country has seen generation after generation of people having to go either to the south, over to Europe, or somewhere else, because the sorry history of this country, especially under this government, has been not to put dollars into improving our future, particularly as that relates to health care.

That is something which is difficult to measure because we cannot measure how many good medical researchers and how many good medical teams are broken up when funds are cut off. This does not mean that we will not finally have the technology. It does not mean that we will not finally enjoy the fruits of that research. We will, as we always have, import it from other countries which are getting information and knowledge from Canadians who have left Canada because they have to go elsewhere to find facilities with which to do their research. That, in miniature, is the way this government deals with the question of research and development. Despite protestations about wanting to stimulate research and development,

both inside and outside medical research the government has followed a policy of diminishing them.

The second thing which is revealed about the government is its total insensitivity to the significance of making sure that important programs which affect provinces are undertaken after consultation. This is a matter which many hon. members have raised. It has been raised with regard to almost every program the government has decided either to stop or start. It takes no great intelligence to remember that other governments—not just the federal government—require predictability. Indeed, those who are served and affected by programs also need predictability. That is particularly so in the field of research. We cannot just start and stop research programs. This is even more important in the medical field.

When this matter was before the House at second reading, I understand that some minister indicated that there was no contract or agreement signed and sealed with the provinces. However, whether there was a signed and sealed contract which would be enforceable in a court of law is not the point. Surely when a province made an agreement with the federal government 13 years ago, it expected the program would last the length of time it was supposed to last and, indeed, it might perhaps have been in the interests of medical research, the provinces and the people, if the program were to last longer. It is not a question of legally enforceable contracts; it is a question of trust. Again this government finds itself not worrying or caring whether programs will adversely affect the provinces or, indeed, the people.

There is a third aspect which I think should have been brought to the attention of the minister. Much research in this country is done by voluntary organizations. If the government was going to cut the program two years before the end of its natural life, it might at least have tried to find out if certain voluntary organizations could take over some aspects of the program, given the existing funding commitments, in order that the program would not be affected or cut sharply. The federal government has not been able to come to grips with coping with voluntary organizations as it goes through its program of restraint.

● (2120)

Merely because the government decides not to carry out a program does not mean the need dies. When those government services are withdrawn, surely it is incumbent upon the government to see whether there are voluntary organizations to take up the slack. Indeed it is possible that there will be some funding, but not nearly as much as the government had pledged under this particular program. I might emphasize perhaps that is more important in the field of geriatric services. The government is on record, in a speech by the minister, on caring about the needs of the aged in our society. I believe the minister referred to a new deal for the aged. At least she is sincere in her view. The fact of the matter is that there has been absolutely no attempt by the government to find ways for voluntary organizations to assist Canadians, as it withdraws funds and cuts services and programs which affect a great many people.

Also it is worthy of note that the government has seen fit to withdraw funds from programs which will affect both directly and ultimately those people who are least able to cope for themselves. Everyone who has any experience at all at the receiving end knows that when teaching and training facilities are cut, particularly in the health care field, the services most affected are those to people who are old, poor and handicapped. Those are the funds which go first.

I do not think there is a member on the government side who would step forward and say, "We would like to reduce training services for people being trained to help handicapped people." Government members will not say that. They do not wish to say that, but that is what they are doing. In the final analysis the poor, old and handicapped are not defeated by a direct assault. It is an entire series of subtle withdrawals of programs which were in place to help them out. These programs are slowly eroded away by what used to be called the old trickle down theory. By and large what happens is that the people who would ordinarily be taking courses and learning skills, particularly in health care training, will not be given the necessary funds. Therefore the services which will go are those such as home care, meals on wheels, and others. Slowly they are worn away, they are eroded. Thus, the ultimate effect of this cut will be borne by those who can least afford it.

I was pleased to participate in the discussion of the bill before the House for the following reasons: first, although 83 per cent of the program has been delivered, as it were, and although the minister can argue that by and large the objectives have been reached, anybody who wants to listen will realize that, despite what the government says, it does not stand for stimulating research and development programs. Its record is entirely in the opposite direction. Second, it continues to create divisions in the country by not dealing in an appropriate manner with the mechanism of consultation with the provinces. Third, it seems to have lost its understanding of the significance and importance of voluntary organizations which would be happy to be in this business if the government withdrew. Fourth, it is easier to withdraw funding for programs which affect those people who cannot speak loud enough to be heard. For those reasons, the bill does not deserve the support of the House.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Turner): The hon. member for St. John's West.

Mr. James A. McGrath (St. John's East): St. John's East, Mr. Speaker. "East is East, and West is West, and never the twain shall meet."

An hon. Member: Filibuster.

Mr. McGrath: The hon. member says "filibuster". If ever there was a case to be made for a parliamentary filibuster on a bill, a case could be made for this one.

Some hon. Members: Hear, hear!

Mr. McGrath: I welcome the suggestion of the hon. member that this is a deliberate filibuster. If what I say during third reading of this bill stimulates others to speak, and perhaps in the process succeeds in getting the government to change its mind on this breach of faith, then it will have been a worthwhile filibuster. That is what we are dealing with, a breach of faith on the part of the government.

It is worth noting throughout third reading of this bill that the Minister of National Health and Welfare (Miss Bégin) has been conspicuous by her absence. I sat through the debate on Friday and the minister and her parliamentary secretary were not in their places. I sat through the debate today and this evening, and the Minister of National Health and Welfare and her parliamentary secretary are still conspicuously absent.

An hon. Member: They really do not care.

Mr. McGrath: They really do not care. The hon. member for Athabasca (Mr. Yewchuk) made an outstanding contribution to this debate. He has provided outstanding leadership in this field. He has sat throughout the entire debate and heard contributions from all sides of the House.

Some hon. Members: Hear, hear!

Mr. McGrath: I wonder if the minister's absence in some way could not be construed as her inability to defend this indefensible bill. Perhaps it is possible the government wanted to keep the minister out of the House because it was somewhat concerned that, if she stayed here, she might stimulate the debate in her provocative way. I hope I can be somewhat provocative and even stimulate some hon. members opposite to rise and defend this bill.

• (2130)

I think it is to the outstanding credit of the ministers who are here tonight, but I think the point has to be made that we have four ministers in the House tonight, the Minister of Labour (Mr. O'Connell), the Minister of Supply and Services (Mr. De Bané), the President of the Treasury Board (Mr. Buchanan), the Minister of Veterans Affairs (Mr. MacDonald), and so also is the Minister of State (Multiculturalism) (Mr. Cafik). But the minister who is responsible for this bill is not here. Perhaps the reason she is not here is that she would be called upon to account for the fact that over the weekend her colleague, the Minister of State for Fitness and Amateur Sport (Mrs. Campagnolo), announced a program whereby the Government of Canada was somehow going to find $18 million to fund arenas in four of the major centres in this country for the National Hockey League.

Mr. Baker (Grenville-Carleton): That is restraint for you.

Mr. McGrath: Yet we cannot find the extra $84 million to complete our solemn undertaking made to the provinces 13 years ago when we passed this bill.

An hon. Member: Unbelievable.

Mr. McGrath: Where does the $18 million come from to provide these arenas in the impoverished city of Edmonton, the impoverished city of Winnipeg, the impoverished city of Hamilton, and the impoverished city of Quebec? I do not begrudge whatever Hamilton gets and whatever they deserve, but all I say to you, sir, is that this government has a strange and misguided sense of priorities. They have their priorities all mixed up.

Mr. Nystrom: They are Progressive Conservative.

Mr. McGrath: I have listened to the hon. member from Saskatchewan and I heard—

Mr. Baker (Grenville-Carleton): He is not from the whole of Saskatchewan; surely not.

Mr. McGrath: I have heard his contribution to the debate today—he has made a positive contribution—and I hope he will allow me to do the same thing.

I listened to my colleague, the hon. member for Athabasca. And I also heard him when he spoke at second reading of the bill and I heard his outstanding contribution at third reading of the bill. I find his arguments eminently sensible and logical. When the hon. member for Athabasca spoke on behalf of the official opposition he said that we opposed this bill on two counts: lack of consultation, and the fact that it will seriously undermine confidence in the research community of this country by the professional corps of researchers whom we have been able to gather today in this country largely as a result of this program.

With respect to consultation, the Minister of National Health and Welfare has a long reputation in this House for inability to consult with the provinces. Coincidentally, the last major bill which the minister brought before the House was the act to amend the Family Allowances Act, the child tax credit bill. It is rather interesting that throughout that debate it was found necessary by those who are responsible for the management of the business of the House on the other side to withdraw the minister from that debate because that was the only chance they had of getting the bill through without the embarrassment of having to impose closure.

When that bill came before the House, we on this side argued that the bill had been brought before the House hastily and without adequate consultation, that there was no assurance from each of the provinces that they would honour and respect the child tax credit allowance in terms of the payments that were being made from provincial welfare programs to welfare recipients in the respective provinces. Yet over the week end we find, surreptitiously placed in our mailboxes, under the date of February 2, a communique from the Minister of National Health and Welfare in which she bemoans the fact that her province, the province of Quebec, refuses to honour the child tax credit bill in terms of the welfare recipients in that province and that they will in fact deduct the amount of the child tax credit from welfare payments in the province of Quebec. It is shameful, sir. I join with the minister

in condemning the province of Quebec for their action in that regard.

I well recall, during the course of the debate on that bill, the Minister of National Health and Welfare, in her usual provocative way, challenging each one of us in the House to make sure that we get commitments from our respective provinces that they will not deduct the amount of the child tax credit from welfare payments. That was her response. She went out of her way to identify and point out that the hon. member for St. John's East enjoyed an unusual relationship with the government of Newfoundland because it was a PC government, and she identified the same situation in Nova Scotia, in New Brunswick, in Ontario, and in Manitoba, all the governments of this country that have seen the light and that no longer support the Liberal philosophy, save for the lone government of Prince Edward Island which is just hanging on by a straw.

Mr. Baker (Grenville-Carleton): The Liberal party's last frontier.

Mr. McGrath: Yes, Mr. Speaker. Yet is it not passing strange that the minister, who challenged each of us to get a commitment from our provinces that the amount of the child tax credit would not be deducted from welfare payments, could not get that same commitment from her own province of Quebec, notwithstanding the unusual relationship she must enjoy with the government of Quebec because she represents the Government of Canada, she is a minister holding a senior portfolio within the Government of Canada?

Again we see the consequences of the failure of this government to consult adequately with the provinces, because if there had been adequate consultation, if the Minister of National Health and Welfare had called together the various social services ministers of the ten provinces and sat down with them and took them into her confidence, and told them the government would bring in an amendment to the Family Allowances Act and would make provisions for a child tax credit of $200 per child but it wanted an assurance from each one of the provinces that they would not deduct the amount of this child tax credit allowance from the welfare payments that they presently have in place, I believe that provincial governments are reasonable and, when confronted with that kind of reasonable proposition, would respond positively. I am sure that the minister would have been able to obtain an undertaking that no such deduction would be made from the amount of welfare paid.

I talk about the amendments to the Unemployment Insurance Act in which, again because of lack of consultation, we had the unique, the practically unprecedented situation of the ten provinces of this country saying, "We are just not going to take it any more". They came together and they appeared before the Standing Committee on Labour, Manpower and Immigration and bemoaned the fact that there had been no consultation, notwithstanding the impact that the changes in unemployment insurance would have on the provincial economies, especially on the eastern provinces, and they put forward positive proposals of their own, proposals which they should have been given the opportunity of making at a federal-provincial meeting.

God knows, we have had enough federal-provincial conferences. Indeed, one wonders about the relevancy of this place when one considers what is going on across the street at the old converted Union station. That has become the real parliament in this city. That is where the action is, and that perhaps explains why the Minister of National Health and Welfare is not in her place tonight. Perhaps she knows that the real decisions are to be made across the street.

● (2140)

If this place is to be relevant and meaningful in terms of its legislative capacity, then I say we have to dig in when the government confronts parliament with a bill of this kind that represents a major breach of faith with the provinces of this country. If we have to dig in, let us dig in, and what better way to dig in?

It is all very well for the minister to talk about the fact that 83 per cent of the program has been completed. Do we ever arrive at the stage where we have completed medical research in this country? Medical research will never end. Indeed, by its very nature it can never end. I believe when this statute was passed by this House 13 years ago the government of the day never had the intention of repealing it. I believe there was an implicit understanding, when the bill was passed, that when the 15-year period was up there would be another program to replace and, indeed, to enlarge upon it.

The fact of the matter is that we are abrogating a solemn undertaking made to the provinces 13 years ago. Why is that so? I suggest it is to save $83 million. The government of this day is embarking upon a spending program that hovers between $45 billion and $50 billion, yet we are taking about $83 million to complete an undertaking to the provinces to provide funding for medical research in this country.

What about the programs that will have to be cancelled, and the research teams which have been brought together and will be lost to this country as a result of the cancellation of this program? I can speak from experience in my own province, that province rich in promise yet so poor in its ability to deliver. We have the newest medical school in the country at the Memorial University of Newfoundland. It is a credit to this country. I would suggest that a large part of the ongoing biomedical research at the Memorial University was made possible by this health resources fund program. The people at that medical school tell me this new institution is going to lose this medical expertise which has been gathered together. That medical school will lose this expertise because it does not have the funding to carry on biomedical research, research in geriatric and family medical practice, those things relatively unsophisticated, yet important things that other medical schools in the country no longer carry out.

What do I say to these people at the university? Where are they to go? Where are they going to look for funding? How can the people involved in a professional research capacity

have any confidence in the Government of Canada to fulfil its promise? The answer, of course, is that we will lose these people, as has been so eloquently stated by my friend from Toronto, the hon. member for Rosedale (Mr. Crombie), and as has been demonstrated by my learned colleague, the hon. member for Athabasca. We will lose these people to the United States, which is perhaps the intention of this government which seems to be able to come up with dollars from some kind of hidden fund to provide sexy political programs in order to fund arenas in large cities in this country for the National Hockey League, an area in which we have a questioned right to be involved.

Perhaps we will lose these people for ever. What will happen then? I suppose then we will go back to the point we were at 13, 14, 15 years ago when most of the medical research done in this country was funded by endowments from the United States. Is that where we want to be, and is that the kind of situation we want in this country? I submit there is not a Canadian who, given the facts, would support that proposition. That is why I believe this bill, innocent though it may appear, and presented in a manner that would indicate it is a mere housekeeping bill, is a blot on the already tarnished image of this government.

Some hon. Members: Hear, hear!

Mr. McGrath: I could ask where the $18 million is to be derived. Is it to come from the $83 million to be saved by cancelling this program? Is that the source of these funds? We have a right to an answer to that question. Is that where the $18 million is coming from in order to improve the image of the Minister of State (Fitness and Amateur Sport) and perhaps to gain a few political yards in those big cities across the country? Perhaps this money is to come from the government's Outreach Program which was cancelled or restricted last year to exclude women. We know about that retrograde step which set back progress in this country by 25 years when it was announced that women would no longer be targets of the Outreach Program. How much was saved by that discriminatory act? Did it save $18 million, enough to finance these arena improvements in Winnipeg, Edmonton, and Quebec City? Where did the money come from? We have a right to know. Did it come partially from the $2 million the government is to save in terms of cutting back on the publications it now makes available for university libraries in this country?

I had to tell the people at my university library that if the government cancels this program they should let me know and I will make the publications available to them if I have access to them. What kind of a misguided sense of priorities is possessed by this government? Why would it eliminate a $2 million program to provide technical publications to the university libraries in this country? What kind of restraint is that? What kind of misguided restraint is it? This is not restraint; this is a facade, a joke, and a misrepresentation of the word "restraint". Nobody expects that kind of restraint.

Nobody expects the Government of Canada to cut back on its commitment to universities, just as nobody in this country would expect the Government of Canada to cut back on its solemn obligation made to the provinces of this country 13 years ago to provide an ongoing program of research in the universities and medical research institutes.

An. hon. Member: It is counter productive.

Mr. McGrath: The hon. member suggests this move is counter productive and that it will cost us dearly in the years ahead.

I hope somebody else will take the floor before this bill is allowed to receive third reading. I hope the hon. member for Windsor West (Mr. Gray), for whom I have great respect, will get to his feet and express his concern over what the government is doing. Perhaps we may even hear from other hon. members. Surely this House of Commons, if it has any sense of responsibility, has the ongoing, solemn responsibility to ensure that commitments outlined by statute to the provinces of this country are honoured and not abrogated by repeal as is happening in the case of this bill now before the House.

● (2150)

I suspect, indeed I know that all is not well within the Department of National Health and Welfare.

Mr. Alexander: That is what the newspapers say.

Mr. McGrath: That is what the newspapers say, and I suspect they know what they are talking about. I believe that if we were able to examine the qualified, capable and dedicated men and women who advise the Minister of National Health and Welfare we would find that they agree with us, and that this act should not be repealed. I suspect that they would also agree with our contention that there must be an ongoing consultation, given the limited jurisdiction of the Government of Canada, in some of these areas, particularly the areas of social policy. The fact that the newspapers have identified that there are problems would indicate to me that they have put their finger on the nub of the situation.

I could go on, Mr. Speaker, and talk about nutrition, child health care, geriatrics, pediatrics and obstetrics, all of which require ongoing research in this country. I could go on and talk about the International Year of the Child and the need for ongoing studies with regard to nutrition, dental care, day care, and immunization. The findings of the nutritional survey of a few years ago, funded by the people of Canada at great expense, for example, identified what is nothing short of a national scandal in this country, the fact that we have a serious problem of malnutrition. It is hard to believe that there is malnutrition and diet deficiency in our young people in this affluent society. It said that our children at age 12 had a physical capability comparable to a 30-year-old Swede. This is all due to inadequate diet, junk food in our schools, and television, as my hon. friend identified, which teaches these children to eat this junk food but does not identify the fact that it has little or no nutritional value.

I could go on and talk about the seriousness of the problem of native people. Indeed, that was a question which came up

during the course of the debate on the child tax credit bill when we implored that the government make the child tax credit allowance available in quarterly payments because many of the mothers who would be receiving the one large lump sum do not have the experience of managing that amount of money and, as a result, the money would not find its way to the purposes for which parliament intended.

Canada does not have a school lunch program. There is a school lunch program in the United States, and there has been so for many years. There is no suggestion in Canada, however, of sitting down with the provinces and saying, "Look, we have a major problem in this country, our children are undernourished, and because of that undernourishment their learning process is retarded." Our children are more regressive because they are going to school without an adequate breakfast, because there is an iron deficiency in their diet, because they are drinking too much soda pop, because they are taking too much junk cereal, and because they are drinking too much.

Alcoholism among our children has become a major problem, more serious than the soft drug problem. Our kids are getting high on beer and are drinking beer and alcohol on an empty stomach, yet we see the Government of Canada abdicating its responsibility. Why can there not be a program of alcohol education for our young children? Why can they not be told that alcohol, if taken in moderation, is something to be enjoyed, but if abused it can lead to addiction or danger to one's health? In spite of this we tolerate advertising in this country which presents alcohol drinking as a lifestyle to be desired, ads which are sophisticated and almost subliminal in their techniques in trying to hook our kids on X or Y or Z brands of beer, knowing full well that once they have them, they have them for life. But nothing is done in the area of alcohol education on a national basis.

Perhaps nothing is done because of the power of the advertising industry. I do not know. I understand that the breweries of this country spend approximately $30 million on advertising. That is a hell of a big advertising budget by any stretch of the imagination. Perhaps some of these advertising agencies which handle these accounts are friends of the government and that is why it is a no-no.

We did not hear from the Minister of National Health and Welfare, who likes to talk about social policy as though she had the market cornered, on this matter. This government is bankrupt when it comes to social policy, because it has no social policy. If there was a social policy it would not bring in this kind of bill at this particular time. If there was a social policy, there would be an ongoing education program in an attempt to offset some of the dangerous nutritional habits of our young people, a program to provide for adequate day care for single parent families, and to provide adequate day care for family situations where both parents must work in order to offset the consequences of inflation. There would also be programs for instructing young people who assume family responsibilities, as they are doing at a younger and younger age in this country.

This bill would have provided the Minister of National Health and Welfare with an opportunity to come before this House and tell us her concerns about where this country is going. She has not done so, because I do not think she has any concern. I do not think that she really cares. I regret to have to say that in her absence. I would prefer to say that to her face, but she is not here.

An hon. Member: The parliamentary secretary is here.

Mr. McGrath: The parliamentary secretary is here; albeit he arrived a little late, but he is here. The Minister of State (Multiculturalism), the Minister of Labour, and all kinds of ministers are here, but we do not have the minister responsible for this bill, yet she would like us to give it third reading although it violates a solemn obligation made to the provinces to provide ongoing medical research. To what end? To save $83 million, when in the same breath we can save $18 million allocated to fund NHL stadiums in Winnipeg, Edmonton, Hamilton, and Quebec city for professional sports.

We have facilities in my city of St. John's which we put together for the Summer Games. We are proud of what we did in the Summer Games, but those facilities were closed down for a year because we did not have the money to operate them. We could not get any help from the federal govrnent to operate our beautiful aqua-arena or any of the marvellous facilities we put together to host the young athletes of this country in the Canada Games. Yet we can find $18 million for the National Hockey League in those big cities. What a misguided sense of priority; what a government!

I see, Mr. Speaker, that you are getting ready to rise. May I call it ten o'clock?

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FOREIGN INVESTMENT REVIEW ACT—INQUIRY AS TO COMPLIANCE WITH PRINCIPLES OF INTERNATIONAL BUSINESS CONDUCT

Hon. Herb Gray (Windsor West): Mr. Speaker, on July 18, 1975, the then minister of industry, trade and commerce tabled in this House on behalf of the government what he called the "new principles of international business conduct." At that time he said they were "intended as an updating and replacement of the guiding principles of good corporate behaviour in Canada." These had been announced by the late hon. Robert Winters on March 31, 1966, when he was minister of industry, trade and commerce. When the minister of industry, trade and commerce who is now the Minister of

Energy, Mines and Resources (Mr. Gillespie) tabled the new set of principles he said they reflected "broad government policy regarding the activities and responsibilities of foreign controlled business enterprises in Canada." He made it clear, as he said, that "they are directed toward all foreign controlled enterprises whether they were involved with the Foreign Investment Review Act or not."

According to a press report early last week, however, officials of several foreign controlled firms in Canada do not seem to be aware of these important principles. The author of the article in question could not find any indication that the government was really monitoring the degree of compliance by such companies with these principles. Yet, when they were tabled in this House in 1975, they were described by the then minister of industry, trade and commerce as "broad government policy".

I gather from what the Prime Minister (Mr. Trudeau) said in this House last week that this policy is still in force. If this is the case, then the Department of Industry, Trade and Commerce must have in place, or must set up as soon as possible, a program to bring forcefully to the attention of senior management of all foreign controlled companies in Canada these new and important principles of international business conduct.

It is not surprising that the companies which were contacted by the journalist about the matter told him they had not heard of these principles. After all, senior executives change fairly frequently; they transfer, retire, assume new responsibilities. Therefore there must be an ongoing effort by the government to remind directly all foreign controlled businesses of these principles. Interestingly enough, that was the approach used by Mr. Winters when he announced the first version of these principles. He also had his department set up a survey to monitor the degree of compliance by foreign controlled companies with these principles. The survey was carried out by regularly sending out questionnaires to a representative sample of foreign controlled companies. The results were published for some years. However, the last publication of the results of the survey was in 1974, to cover only the years 1971 and 1972. The parliamentary library has no later publication of the results of this survey in its collection.

The purpose of the survey is important. It is to assess the degree of voluntary compliance with these principles which in effect call for the application of the FIRA test of "significant benefit" by all foreign controlled companies, including those not covered by that law. Therefore, the Minister of Industry, Trade and Commerce (Mr. Horner) at the very least should publish information updating these survey results. He should reinstitute this survey if, in fact, it was dropped some years ago as appears to be the case. At the very least as well, as I have said, he should ensure the principles of international business conduct are brought regularly to the attention of senior executives of all foreign controlled companies in Canada.

But if these principles were and are government policy, meaning something the government believes should be carried out in the public interest, then the government must soon take steps to ensure there is compliance in fact with that government policy it calls the "new principles of international business conduct." It should do this to help accomplish the necessary aim of further expanding employment and economic activity generally in Canada.

● (2205)

The high level of foreign control of our economy is emerging again as a significant political issue in Canada. This is confirmed by a recent Gallup poll showing a high degree of public concern about this high level of control. I believe the government must respond to this concern in a meaningful way if it is to be re-elected by the Canadian people in the coming election. A pledge of action by the government, not just to recognize the benefits but also to deal with the costs to the Canadian economy of this high level of foreign control of our economy, is needed now and in the coming weeks to ensure the re-election of the government but, more important, to assure the long term best interests of the Canadian people.

[*Translation*]

Mr. Bernard Loiselle (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, following their approval in 1975 the new guidelines were distributed to all companies through the information kit provided by FIRA. Those guidelines were also published in the businessman's guide by FIRA and in the FIRA review for 1977. The guide is distributed to companies dealing with FIRA. The review was sent to most financial branches operating in Canada. As for the other question, that is when the results of our survey will be made available and published, it is advisable to point out that the guidelines cannot be effectively controlled on a statistical basis alone. My department is carrying out a voluntary survey among the main branches of foreign companies. The hon. member was right when he said that the results of the last survey were published in 1974. However, the results of the survey up to 1975 were published in May 1978. The data covering the activities for the period ending in 1977 will probably be published in April, 1979. We hope that those results will be effectively used to consider some aspects of operations in foreign-controlled branches. The passage of the amendment in Bill C-3 concerning the Corporations and Labour Unions Returns Act will surely provide a more effective control and assessment of operations in foreign-controlled branches.

And allow me to say, Mr. Speaker, that in spite of all written instructions which could be tabled today in the House the best guarantee which can be provided is still the daily control made by officials who are anxious to ensure the sound operation of Foreign Investment Review Agency.

[*English*]

INDUSTRY—TAKEOVER OF CANADIAN BUSINESSES

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I would like to continue the line of questioning pursued by the hon. member for Windsor West (Mr. Gray), a former cabinet

minister. I am sure the same parliamentary secretary will read two or three answers tonight.

I rose in my place on October 23 to inquire of the Minister of Industry, Trade and Commerce (Mr. Horner) regarding the purchase of Northwood Mills in Princeton, British Columbia, by Weyerhaeuser of the United States. I was following hard on questions posed by the hon. member for Okanagan-Kootenay (Mr. Johnston), as well as the hon. member for New Westminster (Mr. Leggatt) who was not asking questions specifically about that but about the high percentage of approvals that FIRA gives to foreign takeovers of companies in Canada.

I would like to survey the situation at the moment. Northwood Mills is a Canadian company that is owned by Noranda, a wholly owned Canadian company. An American multinational wants to purchase it. I do not have anything against Weyerhaeuser. Generally speaking, it is a good corporate citizen.

Northwood does not want to sell to Weyerhaeuser. There is a group of small independent sawmills in the area. They realize their future is threatened if a large multinational comes into the vicinity. The wood industry is precarious. Frequently the margin of profit of these small independent sawmills depends on the sale of their chips.

If Weyerhaeuser purchases Northwood Mills and has an assured supply of chips for its pulp mill in Kamloops, it can do without these small independent sawmills. Naturally, these sawmills are a bit paranoid about this. They have formed a consortium to buy Northwood Mills rather than have it purchased by an American multinational.

FIRA in its true form of approving 85 to 90 per cent of all applications, has approved this application, when at the same time the Canadian small independents are wanting to improve their future. It is passing strange that the hon. member for New Westminster should have questioned the extent to which FIRA gives approval to multinationals while in this transaction the union, IWA, as well as the British Columbia president, Mr. Monroe, approved of the purchase by an American multinational of a Canadian company. The hon. member for New Westminster very sincerely asked about these approvals, yet here it is the unions which will support him in the next election which are saying "We would like to see this American multinational take over a wholly owned Canadian company."

● (2210)

I asked one of the directors about this. He said, "Well, the industry has to be integrated." Okay, the industry needs to be integrated, but must it be under the umbrella of one corporation? Surely, there could be co-operation among the small independents to keep the industry going—they have enough ingenuity for that. I cannot believe that it is the giant corporations which have built the strength into our economy which we have known historically. It is not the multinationals which have done it; it has been the risk taking and the initiative of the small independents.

We have now reached the point at which Weyerhaeuser effectively controls most of the Thompson River watershed timber supply. One of the problems is that the company has overcut its supply of timber in the Lumby region of British Columbia and now wants the timber reserves owned by this mill in Princeton. We are now in a situation in which Canadian lumber dealers have to phone to an American company in the United States to place orders for Canadian lumber for resale. The first question Weyerhaeuser asks is, "Is there a Weyerhaeuser agent in that area?" And the company will not sell Canadian lumber to a Canadian agent if the lumber is going to a place where there is a Weyerhaeuser agent.

The minister tells me in the House that FIRA is so structured that it will not approve applications unless it is to the benefit of Canada. Yet here they are rubbing out jobs all over the place and we are allowing an American multinational to determine who can sell lumber and where it shall be sold. Is that for the advantage of Canadians? The fact is, the government believes in corporatism. Unions, too, believe in corporatism because they would much prefer to deal with a large corporation than with a number of independents. The package is a lot neater. This is especially true when very small sawmills are in the picture—operations which might not employ union workers.

Moreover, as we know, the corporations have only one certain way of handling competition and that is not through greater efficiency, it is by buying the competition out. So we face the grim prospect in this area of having one or two large companies controlling practically all of the lumber industry in the heart of British Columbia. I do not think the minister, through FIRA, has been acting in the best interests of Canada.

I have here a list of companies which were opting for the purchase of that mill. I notice Riverside Forest Products of Lumby, B.C., Gorman Brothers of Westbank; Aspen Planers of Merritt; Evans Forest Products of Savona; Wonnok Lumber of Mission; Gilbert Smith Forest Products of Barriere, and Drew Sawmill Limited of Malakwa, B.C., all of which said, "This ought to stay a Canadian concern; we object to an American multinational coming into the country and we want to preserve the integrity—"

The Acting Speaker (Mr. Turner): Order. The time allotted to the hon. member has expired.

[*Translation*]

Mr. Bernard Loiselle (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, this presentation deals with two controversial points relating to the takeover of Northwood Mills Ltd. of Penticton by Weyerhaeuser Inc. of Tacoma, Washington. First, lumber retailers from the southern mainland of British Columbia might be forced to go to the United States to buy Canadian lumber from Weyerhaeuser. Second, it is feared that small independent sawmills will be separated from the markets buying their chips.

It is true that Canadian and American lumber retailers ordering Canadian lumber from Weyerhaeuser must dial the

toll-free telephone number Zenith 98676 which puts them in contact with that company's business section in Tacoma. The billing is made in that municipality. Remittances are sent to P.O. Box 4844 in Vancouver in Canadian funds and any correspondence with Weyerhaeuser must be addressed to 200 Consumer Road, Willowdale, Ontario. Of course, it is also true that practically all the lumber of that company is exported to the United States. It should be noted that even if the wholesale purchases are to be made in the United States Weyerhaeuser operates a number of retail outlets in Kamloops and elsewhere to serve British Columbia consumers.

Indeed, that company is not the only foreign-controlled corporation to centralize its operations in the United States but sometimes you have the opposite: a few foreign-owned corporations operating in Canada have opened in Canadian cities business outlets to serve Canadian and American retailers. Weyerhaeuser is thinking about establishing an outlet near Kamloops but one could consider that an attempt probably on the part of that good hon. member to compete more fiercely with local producers which could also trigger a reaction. As to the effects of this transaction on the small independent sawmills' ability to sell their chips, a comparison between the current situation and what is proposed will show that the effects will be quite negligible.

Just now, the Weyerhaeuser pulp mill in Kamloops is using 550,000 BD (Bone Dry) units of chips a year. Of these, 100,000 units are being provided by the Weyerhaeuser mills of the area, the rest being supplied by 21 independent sawmills. Weyerhaeuser can produce 190,000 units of chips in its own sawmills, but the current contracts with independent sawmills compel this corporation to reduce its deliveries of chips from its own sawmills in proportion with those of its independent suppliers. The sawmills in Northwood are producing 120,000 units of chips a year, but all their production is sold under contract to B.C. Forest Products Limited.

The independent sawmills are afraid that, as soon as their contracts with the B.C. Forest Products Limited expire, the chips produced by Northwood may be sold to the Weyerhaeuser sawmill, which would reduce the quantities this establishment would buy from them. Several factors are involved here. First of all, in case the contract between the Northwood and the B.C. Forest Products Limited is not renewed, it is to be expected that the latter will try to fill the gap by purchasing the same quantity of chips from the independent sawmills of the region.

• (2215)

[*English*]

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

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.18 p.m.

HOUSE OF COMMONS

Tuesday, February 6, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

RELEASE OF U.S.S.R. POLITICAL PRISONERS—MOTION UNDER S.O. 43

Mr. Yuri Shymko (Parkdale): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that pressures of world public opinion and intervention by governments, including that of the Soviet Union, requesting full amnesty and the release of political prisoners, have had positive results in Greece, Portugal, Chile and, most recently, in Cuba—with the release of over 3,000 political prisoners—and to promote further international co-operation and detente, I move, seconded by the hon. member for Windsor-Walkerville (Mr. MacGuigan):

That this House urge the government to make direct representation at the highest level to the government of the U.S.S.R. to grant full amnesty to all prisoners of conscience on its territory, as a gesture of good will, in compliance with the Universal Declaration of Human Rights and the human rights provisions of the Helsinki Accords, assuring Canada's willingness to consider positively requests for admission to Canada.

Mr. Speaker: Such a motion can be presented for discussion at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRADE

MILK POWDER EXPORTS TO THIRD WORLD COUNTRIES—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the Department of Industry, Trade and Commerce is presently sponsoring a trade mission to five South American countries to sell milk powder and infant feeding products.

As it is becoming increasingly accepted that the promotion of infant formula is unacceptable in the Third World and in Canada, I move, seconded by the hon. member for Regina-Lake Centre (Mr. Benjamin):

That the Minister of Industry, Trade and Commerce immediately establish a committee with representatives from CIDA, the Department of National Health and Welfare and Agriculture Canada to evaluate this mission when it returns to Canada and to set up guidelines for milk powder exports so that Canada will not be implicated in any further inappropriate use of infant formula or other milk products in the Third World.

Mr. Speaker: Such a motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

THE CANADIAN ECONOMY

REQUEST FOR REPORT ON INQUIRY BY SUPERINTENDENT OF BANKS ON DEVALUATION OF CANADIAN DOLLAR—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

Considering that on November 8 last, as reported in *Hansard* on page 915, the Minister of Finance confirmed in the House that the inspector general of banks was conducting an inquiry on the part which chartered banks may have played in the devaluation of the Canadian dollar to make substantial profits; considering the fact also that chartered banks have announced record profits for the financial year ending on October 31 last, increasing by as much as 58.6 per cent in one case; in view of the fact finally that the dollar is falling lower from day to day, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House direct the Minister of Finance to table as soon as possible a report on the inquiry made by the superintendent of banks on the part which chartered banks may have played on the devaluation of the Canadian dollar.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to Standing Order 43, presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

POST OFFICE

DOOR-TO-DOOR MAIL DELIVERY—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I rise on a matter or urgent and pressing necessity under the provisions of Standing Order 43.

The Postmaster General is continuing the freeze on door-to-door delivery of mail in new suburbs in many cities across Canada which are feeling the pressure of a rapid increase in population, and this notwithstanding a continuing unemployment rate of close to one million Canadians. In view of the fact that many jobs are being eliminated by this continuing freeze, I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the Post Office Department establish this traditional service, thereby providing Canadians with the quality of mail service to which they are entitled and that the money be made available by delaying the costly move to metric announced recently by the Postmaster General and by savings from the unemployment insurance fund.

Mr. Speaker: The presentation of such a motion for debate at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDUSTRY

MARKETS FOR STEEL PELLETS PRODUCED AT CAPREOL, ONT.—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the announced closure of the National Steel iron ore pellet plant at Capreol, Ontario, at the end of March, the only reason that the U.S. parent company is no longer purchasing pellets from its Canadian subsidiary but from U.S. sources only, resulting in 250 Canadians being threatened with unemployment, and in view of the efforts by the Ontario government and by Harwood Nesbitt to find Canadian purchasers of pellets from this mill, I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the Minister of Industry, Trade and Commerce take immediate steps to assist the Ontario government in finding markets for the pellets produced by National Steel at Capreol, and to ensure that the plant continues to operate and employ 250 employees, and that he report to the House on motions on the results of his actions within ten days.

[Mr. Speaker.]

Mr. Speaker: The introduction of such a motion for debate at this time, pursuant to Standing Order 43, can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENVIRONMENTAL AFFAIRS

POLLUTION OF ONTARIO LAKES—MOTION UNDER S.O. 43

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that statements made by Ontario's environment minister yesterday indicate that acidic rain originating, for the most part, in the United States is destroying the fish population in at least 140 Ontario lakes, and in view of the fact that the situation poses a serious threat to the environment and to the tourist industry in Ontario, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House instruct the Minister of State for the Environment to immediately enter into discussions with his provincial and U.S. counterparts to reduce the levels of these pollutants before they irreparably damage our lakes and the tourist industry of central Canada which is dependent upon them.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

INCOME TAX ACT—INCENTIVES TO ASSIST HANDICAPPED—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, having regard to the very severe hardship suffered by thousands of Canadians who are physically or mentally handicapped, in that such persons have difficulty in finding jobs and securing an income to sustain a lifestyle commensurate with the mainstream of Canadian life, I move, under Standing Order 43:

That this House instruct the Minister of Finance to avail himself of the earliest opportunity provided to him by the rules of the House to bring forth measures designed to amend the Income Tax Act in a manner which would give substantial tax incentives to business firms to employ handicapped persons.

Mr. Speaker: The introduction of such a motion for debate, pursuant to Standing Order 43, can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

EXPLANATION FOR HIGH UNEMPLOYMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, the jobless figures released by Statistics Canada paint the rather gloomy picture of 977,000 Canadians unemployed, a substantial increase when you take into account the rate of hidden unemployment in the country, because using StatCan's own methodology we have a million and a quarter Canadians unemployed in this country.

I should like to ask the Minister of Finance, given the minister's and the Prime Minister's propensity to paint such a rosy picture of the economy and of job creation prospects, if the minister could explain to the House and to the country why the jobless rate has increased this month by 120,000.

● (1415)

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, if one compares the situation this year with last year, there is a decrease in unemployment in that last year we created more than 450,000 jobs from January to January. I think it is a very good result but it is not a satisfactory one. We are always working very hard to ensure that job creation will be better, but one must understand that the participation rate in Canada is very, very high. This month we attained a record high level in terms of the participation rate; in fact, from January to January there were 450,000 more Canadians at work.

Mr. McGrath: Mr. Speaker, given the minister's reply and his failure to explain why the jobless rate in the country is up by over 120,000, the forecast of the Conference Board in Canada that job creation this year will not exceed 197,000, and the economic forecasts of 4 per cent real growth, will the minister tell the House his latest estimate of job creation for 1979? I am sure the 1.25 million unemployed Canadians would like to know what the prospects are for this year.

[*Translation*]

Mr. Chrétien: Mr. Speaker, traditionally, come January the number of unemployed is higher in Canada because of the particular working conditions in winter; there is nothing there to be excited about. I want to tell the hon. member that last August the Conference Board had predicted that the seasonally adjusted rate of unemployment would reach 9 per cent in January and that this rate is now 8.1 per cent, which is better than was predicted.

[*English*]

Mr. McGrath: Mr. Speaker, the forecast of the Minister of Finance is about as accurate as his forecasts of the rate of inflation which he has had to correct from time to time.

My supplementary question is directed to the Minister of Employment and Immigration. The industrial heartland of the country, the famous Golden Triangle, has the highest rate of urban unemployment in Canada, 13.6 per cent in the St. Catharines-Niagara region. The unemployment rate in the Atlantic provinces now is hovering around 13 per cent, 17.6 per cent in Newfoundland.

Given the minister's propensity to tell the unemployed youth of the Atlantic provinces to travel across the country, and that there is an unemployment rate of 13.6 per cent in the industrial heartland, where are the youth to go? Can the minister tell us where they are able to go to look for jobs?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I think the hon. member has neglected to listen to the answers given by the Minister of Finance. The number of jobs actually created, year over year was in excess of 445,000 or 450,000. I think that is something which gives hope to our young people.

The other aspect is that at the government level, given the responsibilities we have for making taxpayers' money available, the job experience training program secured 35,000 jobs for young people, the employment tax credit resulted in 13,000 jobs being created, and now they are being created at the rate of 500 per week. The hon. member talks about optimism coming from the Prime Minister. I think that is appropriate, but also it comes from the Conservative leader of Newfoundland when he said:

We have put our province on a solid economic base for the first time in our history, and I am proud of this.

Some hon. Members: Hear, hear!

Mr. McGrath: That is because they have a Tory government.

Mr. Cullen: Also, the leading minister in Newfoundland said the following:

—a province of growing wealth and promise. I know our province has started an era of expansion and development that none of us has ever known and few can begin to comprehend.

I should like to point out to the hon. member that most of that funding comes from the federal government:

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

[*Translation*]

EMPLOYMENT

INQUIRY AS TO MEASURES GOVERNMENT INTENDS TO TAKE TO COMPENSATE FOR LOST JOBS IN QUEBEC

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is for the Minister of Finance. Last October 26 the Quebec minister of state for economic development stated that, according to a study he made public, if no compensatory measures were taken by Ottawa the federal budget cuts would entail a loss of more than 18,000 jobs; since Statistics Canada has

reported this morning that from last month up till today there has been an increase of 30,000 more jobless in Quebec, would the Minister of Finance not recognize today the validity of that study and say what compensatory measures he is prepared to bring before the House?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, when we announced our budget cuts last August it was to make sure that the Canadian economy would work in a more proper way and because it had then become necessary to reduce the public sector involvement in the economy. We have developed a policy which helps increase the private sector role in job creation. We have also decided that the public sector involvement could not get higher than its present level. The budget cuts we made in August have had a favourable effect on the Canadian economy since they have re-established a climate of confidence in Canada, and that is why we could report in January that the number of jobs in Canada in relation to January of last year was 450,000 new jobs added to the Canadian work force.

Mr. La Salle: Mr. Speaker, on a supplementary.

It is all very well for the minister to remind us that jobs are obviously being created, but the fact remains that Statistics Canada has shown that the rate of unemployment has gone up. The Minister of Finance speaks of all provinces, in which of course we are interested, but I represent Quebec, and it is undergoing difficulties: it has been proved that it will pay dearly for the budgetary cuts. As the minister knows that province well, I am asking him whether he has compensatory measures to offer with a view to remedying that situation which in the last 30 days has grown to seemingly disastrous proportions, especially in the case of Quebec.

Mr. Chrétien: Mr. Speaker, the budgetary cuts we made in August were made right across the board, the same all over Canada. If Quebec is experiencing particular difficulties at this time, much of it can be blamed on the provincial government policy that scares both capital and people away from Quebec; if Quebec offered much greater political stability than it does now, its economy would be much healthier.

Mr. La Salle: Mr. Speaker, on another supplementary. The minister claims that Quebec's policy is scaring capital away; how then can he explain the fact that, looking at the figures for last year, the province of Quebec had 6,000 fewer unemployed then than it has today, at this point in time?

Mr. Chrétien: That may be true, but the hon. member should compare the present situation with what it was two years ago when Quebec had a federalist government.

Mr. La Salle: No, they have been in power for two years!

[Mr. La Salle.]

• (1420)

[*English*]

THE CANADIAN ECONOMY

MEASURES TO CREATE JOBS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance regarding his own difficulties in forecasting, particularly with reference to the unemployment situation which, any way you look at it today, is bad in real numbers with more than one million unemployed.

At the House committee this morning, when dealing with the operations of the Bank of Canada, Mr. Bouey made specific reference to the fact that in dealing with job creation we must expand the economy, especially our exports. I should like to ask the minister whether the government now has any new measures, in the form of either fiscal or monetary policies, such as decreasing Canadian interest rates, in order to expand the Canadian economy and produce more jobs?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, monetary policy has been established by the governor of the Bank and I have agreed with that. It is very important to maintain the flow of capital, and in order to maintain stability of our currency it is important that we have these interest rates. There is no discussion at this time between myself and the governor of the possibility of reducing interest rates in the immediate future.

Mr. Broadbent: What the minister is saying, Mr. Speaker, is that the unemployment situation is going to get worse, not better. In this context I should like to direct a question to the Minister of Industry, Trade and Commerce.

In order to decrease our serious unemployment level and to alleviate our balance of payments problem, the governor of the Bank of Canada agreed this morning with something we have been saying for months, namely, that we have to expand our trade. Bearing in mind that one of the major impediments to increasing our exports is the branch plant nature of so much of Canadian manufacturing, and in view of the fact that the minister said on Friday "our efforts to promote long-term sales are getting cut off by foreign-owned company policies", I would like to ask what specific steps the government is taking to stop branch plant companies from using Canadian-generated profits to drum up business for their parent companies either in the United States or in other foreign lands?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I intend to follow through on what I said on Friday. We are looking at this whole aspect. We have three or four isolated cases where we are, in a way, assisting the export of a commodity to a foreign country. In reply, that foreign company has indicated that it wants more of that product, but the multinational company's operation in Canada has had to tell us that it must direct those future sales to its parent company. As I said, we are taking steps to correct this

and I hope to have a further statement on that whole aspect later on.

● (1425)

Mr. Broadbent: Mr. Speaker, given the government's guidelines that it has had on the books for over four years now and which it has not enforced at all, I would like to ask the minister two things: First, will he name the companies involved which he referred to last Friday; and secondly, of equal importance considering that last year branch plants of foreign-owned firms in Canada shipped out more than $4 billion in royalties, management fees and interest payments, will the minister assure the House that the government intends to get specific commitments from such companies that they will, for example, perform a certain percentage of their research and development in Canada and export a certain percentage of their products from Canada where they are making the profits, instead of from the parent company whether it is in the United States or elsewhere?

Mr. Horner: Mr. Speaker, I would not want the hon. member or this House to believe that I think branch plants are a bad thing. That is not the case at all. In fact, there is not a community in Canada that would not allow the development of a branch plant in its area. I receive requests all the time from community leaders asking if some way or another I can direct a manufacturing plant into their community to assist growth and employment in their area.

What I did say was that there are some multinational corporations which must abide by the rules laid down by their parent company and which do not appear to be very conducive to Canada's export trade in the years ahead, and that we are taking steps to correct that aspect.

With regard to research and development, we would like to encourage its growth as much as possible in Canada, but we must have the end product of research and development, which is that it creates jobs. We must look at research and development in terms of creating jobs, and then the product of that research and development creating many more jobs.

[*Translation*]

INQUIRY WHETHER REPORT ON DEVALUATION OF CANADIAN DOLLAR HAS BEEN PRESENTED

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is for the Minister of Finance. On November 8, 1978 I asked him whether chartered banks had anything to do with the decline of the dollar. At that time the minister informed the House that the superintendent of banks was conducting some kind of inquiry to find out. Is the minister now in a position to tell us whether there has been any development in this matter? Has the inspector made a report and were our contentions right or wrong?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I thank the hon. member for the opportunity he just gave me to tell the House that the general inspector of banks has reported to me and that he found no irregularity which might have led him to conclude that Canadian chartered banks had speculated on the Canadian dollar.

Mr. Allard: I thank the minister for his answer. Considering that chartered banks had windfall or at least very substantial profits during the year ended in 1978, and given that one among others made a profit of 58.6 per cent, would the minister be in a position to seek a more in-depth investigation on that profit margin, which if not exorbitant looks at least very attractive?

Mr. Chrétien: Mr. Speaker, I am not aware of any abuse on that side. There is some competition among the banks. There was perhaps a considerable increase in profits in a given institution but you should always check from what level there was such an increase. If the hon. member has a particular case to submit, I would certainly inquire to see whether there was any abuse, but I have no reason to think so at the present time.

Mr. Allard: In fact, there might have been some abuse, Mr. Speaker. Can the minister assure us that he will inquire on that subject?

Mr. Chrétien: Mr. Speaker, yesterday in Toronto I made a speech in which I asked Canadian businesses which are in a better profit position at the present time not to use those profits to issue excessive dividends or to grant salary increases but to use them to reduce the cost of their products, and it would be advisable to use those profits to reduce the cost of loans if necessary, if some banks did make windfall profits.

* * *

● (1430)

[*English*]

ADMINISTRATION OF JUSTICE

BOEING CONTRACT—EXPLANATION OF "IMPROPER PAYMENTS"

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Solicitor General and concerns the Boeing pay-offs.

The court of the District of Columbia in the United States, on July 25, 1978, ordered Boeing to file a deposition disclosing "any statistics of two consulting contracts with the same consultant providing for payments of compensation under each contract for the same services, designed to facilitate the payment of money into accounts maintained by the consultant outside his home country."

In reply to this, the Boeing company in a deposition to the SEC stated, *inter alia*, "The company executed two consulting agreements in connection with aircraft sales in Canada." In view of this, can the Solicitor General explain his remark of yesterday when he said, "I have no indication that any improper payments were made," or does he consider that getting paid

a second time for one job and salting the money away in a foreign bank is a proper payment?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I stand by the statement I made yesterday. If the hon. gentleman has any allegation or proof of any allegation that could be investigated further by the RCMP, I invite him to bring it forward.

The investigation has been conducted properly by the RCMP. They have reviewed every lead made available to them. They have reviewed the transcript of the proceedings before the SEC, and they proceeded, in my view, quite extensively in attempting to unearth any wrongdoing. My information is that they have not unearthed any wrongdoing that has been the subject or can be the subject of prosecution.

Mr. McKinnon: A supplementary question, Mr. Speaker. I should like to clear up a couple of points.

Is it the fact that the Solicitor General knows the individual who received the double payments, but is unable to frame a charge, or does the Solicitor General agree that an illegal act has been performed but he is unable to identify the crook?

Mr. Blais: Mr. Speaker, the hon. gentleman is asking questions that border on the sensational. I simply ask that if he has some basis upon which he can support the allegations he is making, he should advance it.

The RCMP is interested in conducting an investigation to the fullest extent of its capabilities. It has done that, and the result is that there is no charge that can be laid at this time.

I reiterate the invitation to the hon. gentleman: if he has anything to support the allegations he has advanced, or suggestions he is making in this House, he should make them available to the RCMP, or to me, so that—

An hon. Member: He just did.

Mr. McKinnon: A final supplementary question, Mr. Speaker. I hardly consider it an allegation when the company itself says it has made these payments. Boeing admitted that its payments to countries ranged from $1 million, to a government adviser in Egypt on a sale of $137 million worth of aircraft, to $7.3 million to an in-law of the royal family in Iran on sales of $223 million. Could the Solicitor General tell the House the rough amount of the double payment made to someone in Canada?

Mr. Blais: Mr. Speaker, the hon. gentleman is particularizing some allegations with reference to countries that are not Canada. If he has allegations relating to Canada and wishes to put them forward, let him put them forward.

PAYMENTS TO PARTIES INVOLVED IN BOEING CONTRACT

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Solicitor General. The Boeing deposition made it clear that payments were made in connection with sales in Canada. The Solicitor General will know that in that period five Canadian companies were involved in sales. By my information, they were the Department of National Defence, of this government, Air Canada, Eastern Provincial Airways, Nordair and Transair.

Can the Solicitor General tell this House which of these arrangements was the admitted payment made by Boeing?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, the hon. gentleman is asking a question relating to an investigation that has been completed. The fact is that the allegations that were advanced by Boeing before the SEC were investigated by the RCMP. They ascertained there was no fact upon which they could lay any charge or commence any prosecution.

Mr. Clark: A further supplementary question. It may be that is what the police investigation, on a criminal matter, told the Solicitor General. What we in this House are trying to determine is more information about a fact which clearly led Boeing to make allegations on the public record which are very serious and which may touch directly or indirectly upon a government department.

Will the Solicitor General answer two questions: First, does he know the name or names of the person or persons alleged to have received those payments mentioned in the deposition from Boeing; and second, can he tell us in connection with which transaction the payment alleged to have been made by Boeing was made?

Mr. Blais: Yes, Mr. Speaker. The individual who testified before the SEC was a gentleman who was identified as a consultant of Boeing and who was working as a Boeing consultant in Canada dealing with the sale of Boeing aircraft to Canada. Payments were made to that consultant in the ordinary course of dealing with that company.

Mr. Clark: A final supplementary question, Mr. Speaker. To whom did that consultant make subsequent payments?

Mr. Blais: Again, Mr. Speaker, the hon. gentleman is alleging that subsequent payments were made, and he has not any indication that such payments were, in effect, made. If he has allegations of that nature, let him advance those allegations; let him support those allegations and perhaps consult with the hon. member for Victoria so that their stories are not at cross-purposes.

* * *

ENERGY

NEB ADVICE ON PROJECTED SUPPLIES

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources.

In view of the offer by the Leader of the Opposition to provide Canadian energy resources to Israel and Japan, on his recent around-the-world trip, and the fact that Canadian oil exports to the United States have been sharply curtailed since 1975 and that no new natural gas exports from Canada have been approved since 1970, may I ask the minister if the

National Energy Board advised the Leader of the Opposition that there were new Canadian oil and gas supplies available for export to these countries, or was he just having a flight of fancy?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I saw allegations of that kind. I have not seen them yet repudiated by the Leader of the Opposition. Where he got the information from, I do not know.

Mr. Clark: Your seat-mate.

Mr. Gillespie: Certainly, the National Energy Board has not indicated that there is any surplus of oil in Canada. Indeed, we are trying, through the national oil company, to assure the energy security of Canadians for the future. Of course, the Leader of the Opposition is more interested in destroying—

Mr. Speaker: Order, please.

* * *

CONSUMER AFFAIRS

PROTECTION OF CONSUMERS VIS-À-VIS OPTICAL LENSES

Mr. David Crombie (Rosedale): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs.

Yesterday, the minister tabled a report of the Restrictive Trade Practices Commission entitled "The Ophthalmic Products Industry in Canada" which contained a number of recommendations and conclusions which go toward protecting consumer interests in the Canadian optical industry.

In view of the fact that a great many Canadians will be concerned with the matter if they wear eye-glasses or other optical aids, I wonder if the minister could outline to the House the course of procedure he is willing to adopt with respect to consideration of the report, particularly as it relates to the recommendations on pages 232 to 250?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, we are presently examining the suggestions in the report and preparing action on them. I cannot say right now which of the alternatives for Canadians would be most appropriate, but that will be made public within a few days.

Mr. Crombie: A supplementary question, Mr. Speaker. Given that this is not the first time that this matter has been raised, and also given the fact that the report is one week late being tabled by the minister as required by law, could he explain the hold-up and why we have had to wait for so long since this is not the first time?

Mr. Allmand: Mr. Speaker, the story in the *Globe and Mail* was incorrect. I received the report in my office on January 3, not on December 29 as alleged which would have meant tabling it in the House on February 3. As February 3 fell on a weekend I tabled it February 5 which was the first working day, so it was on time. This morning I had a discussion with the director of investigation for the combines act about that report. He is examining it to see which of the different alternatives would be the most effective to put into operation. He said he would let me know in a few days.

* * *

● (1440)

SPORTS

GOVERNMENT GRANTS

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is for the Minister of State (Fitness and Amateur Sport). With reference to the minister's announcement of February 2, 1979, offering funding to four cities in Canada for hockey arenas, and since section 4 of the fitness and amateur sport act authorizes the minister to provide grants only in the field of fitness and amateur sport, how does she justify her allocation of more than $18 million over the next four years largely in support of professional sport, when only five months ago she announced a cut of approximately $5.5 million in programs for amateur sport, fitness and recreation?

Some hon. Members: Hear, hear!

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I can see hon. members opposite are opposed to NHL franchise extensions in Canada.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: I am quite sure that representatives of all of those cities mentioned will be very interested to note the intervention today of the hon. member for Oxford. Obviously the hon. gentleman knows that any high performance sport draws upon a mass participant base.

Some hon. Members: Oh, oh!

Mrs. Campagnolo: If it is the position of the party opposite, the Conservative Party of Canada, that mass participants in hockey in this country should belong to American hockey teams, then I think they should make their point very clear. This government is in favour of seeing more Canadian hockey teams in Canada which will in turn supply work and jobs and a great deal of support for sports at a high performance level in our country.

Some hon. Members: Oh, oh!

An hon. Member: What a phoney.

Mr. Halliday: I suggest, Mr. Speaker, that the minister be referred to as the "minister of sportness and amateur fits!

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Halliday: Mr. Speaker, the minister stated in this same news release that the federal government has, and I quote "— the primary role . . . in the development of sport in Canada—". Was this pronouncement based on consultation and agreement with the provinces?

Mrs. Campagnolo: Yes, Mr. Speaker. Indeed it was at our last federal-provincial conference that the provinces agreed the primary mandate for fitness and amateur sport was national and the primary mandate for recreation was provincial. I do hope that the hon. member also read the rest of the news release which makes it extremely clear that any usage of these facilities must be provided for amateur hockey players as well as professional hockey players.

Some hon. Members: Hear, hear!

* * *

URBAN AFFAIRS

INQUIRY ABOUT HOME INSULATION PROGRAM

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I would like to address a question to the Minister of State for Urban Affairs.

Since the delay in making a public announcement of the changes in the Canadian Home Insulation Program is putting insulation manufacturers out of production and installers out of business, can the minister explain the delay, and can he assure the House that the $65 million still unspent that was earmarked for this program will be rapidly put to work for the benefit of both home owners and those in the home insulation industry who were lured into the business by government promises of this money?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, there is no delay. The program is in progress and a number of Canadians are taking advantage of it. I hope that the publicity in this regard will explain to Canadians they can insulate their homes, save energy and in the same vein receive some financial support from the federal government to do so.

Mr. Darling: Mr. Speaker, my supplementary question is for the same minister. Is there some flaw in this program which has caused the government to wait so long to announce changes which we understand have already been approved, or is the government waiting to announce these changes when it is convenient for the government politically, instead of when it is useful to the people of the country who are supposed to benefit from it?

Mr. Ouellet: Mr. Speaker, in our discussions with the provinces some of them have suggested changes which represent substantial financial expenditures. The federal government has indicated that if the provinces want to improve the program in making available some extra funds, they could do so, but they should not make proposals to improve the program at the expense of the federal government. We have a program the federal government has put forward and is paying for. We are satisfied that this program meets some of the requirements. However, if some provinces want to improve it, they should do so at their own expense.

* * *

CONSUMER AFFAIRS

INCREASED PRICE OF BEEF—MEASURES TO PROTECT CONSUMERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the minister looking into consumer and corporate affairs. As he knows, the price of beef has gone up to the point where farmers are now getting a fair return. Last Friday, in Toronto, beef went up by about nine cents a pound. Supermarkets within hours were putting up the price of beef to consumers by about 18 cents a pound.

I ask the minister if he has had a chance to look into this and investigate why it took only a few hours to raise the price to consumers, when it takes about two weeks to work its way through the system, and why it also takes about two or three weeks for the stores to reduce the price when the farmers receive a reduced price for the same beef?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, it seems that the hon. member has been looking into this as well. We have started looking into it—

Some hon. Members: Oh, oh!

Mr. Allmand: —but I wish to point out to the hon. member that it is much easier to pose those questions than it is to find solutions. This will take a bit of time, but we are very concerned about these matters.

Mr. Nystrom: Mr. Speaker, in view of the fact that this situation has been happening for years, and every time there is a price increase the minister says he will look into it to see why the mark-up is so high, I ask the minister when is he going to announce to the House his new food policy initiative that he referred to just a few days ago, particularly since wages went up by only six per cent last year and the price of food by about 19 per cent. When will the minister make that announcement, and will the policy include the power to roll back excessively high profiteering and subsidize some of the basic foods.

Some hon. Members: Hear, hear!

Mr. Allmand: Mr. Speaker, as soon as the new policy is ready, it will be announced. It is not ready yet.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHETHER AGREEMENT HAS BEEN SIGNED WITH QUEBEC CONCERNING IMPROVEMENT OF HIGHWAY 117

Mr. Armand Caouette (Villeneuve): Mr. Speaker, my question is for the Minister of Regional Economic Expansion.

Following a meeting I had with the minister last week because I wanted to know whether it was true that his department had signed an agreement with the province of Quebec regarding improvement of Highway 117 between Val d'Or and Louvicourt, and since he was unable to give me an answer at that time, could the minister tell me today whether it is indeed true—since that announcement was made neither by himself nor by his department, but by the Liberal candidate for the future constituency of Abitibi—that such an agreement was signed?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I would like to say to the hon. member that I did check the exactness of that announcement which was originally made from our offices in Val d'Or as well as Montreal and Quebec city. The press release had been issued and sent to local publicity agencies, to local radio and television stations in his region and to the mayor of Val d'Or who, by pure coincidence, happens to be the present Liberal candidate.

* * *

[*English*]

TRADE

METRIFICATION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. The metric commission has announced that after 1981 Canadian food stores will use the words "ounces" or "pounds" in addition to metric measurements, but in their newspaper and broadcasting advertisements this will be a criminal offence and subject to a fine of up to $1,000. Will the minister review this silly and arbitrary decision of the metric commission and reverse it?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I will take a look at it.

Mr. Hnatyshyn: Mr. Speaker, that is not the Jack Horner I used to hear in caucus.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: As the minister knows, oil companies are now changing their gasoline pumps to metric measurement, and a one cent per litre increase amounts to about five cents per gallon increase. I should like to know what the minister is doing to monitor this changeover to make sure there is not a rip-off. Would he ask the Minister of Industry, Trade and Commerce to encourage companies to use the comparability standard and show the old price per gallon as well as the metric price, so that the consumer can make comparisons when he buys gas?

• (1450)

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): We are presently conducting an information program to help consumers adjust to the new metrication system as it applies to the gas pumps. Under our mandate, we do inspect gas pumps and inspect the prices to see whether they correspond to the amount of gas sold. We already have inspectors in the field doing this. I will bring the hon. member's representation to their attention and see that they follow up the points he made.

* * *

STATUS OF WOMEN

EFFECT OF BILL C-14

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of Employment and Immigration. Having regard to the demands made by the Canadian Advisory Council on the Status of Women as contained in a letter to the minister, wherein the council calls for an immediate change in Bill C-14 which adversely affects women in the labour force, and bearing in mind, also, that this advisory council is a government-appointed group, how is it that the government failed to call upon this group before introducing Bill C-14? Why was it left to the standing committee to call this group as witnesses?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, there has never been anything to prevent this particular group advancing its ideas in the same way as anyone else who has suggestions to make with respect to Bill C-14 or amendments to the Unemployment Insurance Act. We did, in fact, receive many representations. I can say, to the credit of the committee to which the hon. member referred, that it saw fit not to adopt a couple of amendments put forward by the opposition which would really have proved discriminatory against women in the work force.

Mr. Clarke: I wish the minister had answered the question, Mr. Speaker. Perhaps I could ask him to comment on a remark made by an employee of the CAC, who said, "I think it is fair to say we have not done enough study of the place of women in the labour market." Does the minister agree with his official?

Mr. Cullen: Well, Mr. Speaker, we can always find opportunities to do more study. We are, in fact, doing this. The labour market policy division of the department has established five target areas in which we want to show solid answers. We want to set the numbers of women wishing to participate in the work force particularly in skills which are

not traditionally associated with women. We have indicated that when placing people in these courses, quotas must be set.

* * *

CONSUMER AFFAIRS

COST OF METRIC CONVERSION OF WEIGH SCALES

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Where did he go?

An hon. Member: He is looking into the mirror.

Mr. Kempling: I will direct it to the Minister of Industry, Trade and Commerce. In a front-page story, the *Financial Post* quotes the Retail Council of Canada as stating that metric conversion of weigh scales in Canada will cost $100 million, and that this cost will have to be passed on to the consumer.

In as much as the metric commission has adopted a policy of letting the cost lie where it falls, I would ask the minister whether he discussed with the Minister of Consumer and Corporate Affairs the fact that this cost of $100 million will lie on the backs of the consumers.

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): I think it is rather ironic that the hon. member should be asking such a question, because some time ago when I was in caucus with him he was a very strong proponent of metrication. When I suggested at that time that the changeover affecting the scales would be costly to the Canadian consumer, he assured me that this would not be the case. Today, the tables are reversed. I can tell him that I have looked into this whole question of the scales and the cost of metrication, and I can assure him that the cost is not alarming as at one time I thought it would be.

Some hon. Members: Oh, oh!

Mr. Horner: So I am now in a position to assure the hon. member that he was right in the first instance.

Mr. Kempling: As I say, it all comes back to haunt you, Jack.

Mr. Horner: It is not haunting me.

Mr. Kempling: I have a further question. Would the minister tell us what happened to the idea put forward by the metric commission that this conversion of the scales in Canada would be of such magnitude as to encourage someone in the private sector here to start an industry for the production of metric scales? Can the hon. gentleman advise us whether the metric commission has now changed its mind about this? Is that the reason the Minister of Finance reduced the tariff on imported metric scales—in fact, he reduced the excise tariff by 50 per cent. Why was this course followed, rather than encouraging the manufacture of these scales within Canada?

[Mr. Cullen.]

Mr. Horner: I do not doubt for one minute that the conversion to metric both here and in the United States will greatly enhance the business prospects of many makers of tools in Canada; it will create a new market for them. The same would apply to the scales. It seems to me there is nothing to stop a Canadian manufacturer getting into the manufacture of metric scales. There will be a demand for them. Given the edge which Canadian manufacturers enjoy in this area, I still think we are able to compete very well.

* * *

INDUSTRY

CANADIAN SUPPLY OF STEEL

Mr. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of the fact that steel for Canadian users is currently in short supply, what steps is the government taking to ensure that Canadian steel users get priority so that greatly-needed jobs in the manufacturing sector are not lost?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): I am fully aware of the shortage of steel in Canada which is due, to a large extent, to our increased exports of steel and our ability to compete with the United States steel industry. However, we are trying to assure supplies to Canadian manufacturers who need steel and we are making a strong effort to assist them in getting supplies from Canadian steel mills.

* * *

TRADE

POTENTIAL OF TRADE WITH CHINA

Mr. Art Lee (Vancouver East): Mr. Speaker, I should like to address a question to the Minister of Industry, Trade and Commerce. Following his trade mission to China, can the minister outline Canada's prospects for trade with that country and the steps he is taking to inform Canadian businessmen of its potential? How does he intend to assist Canadian businessmen to take advantage of it?

Mr. Speaker: I shall have to ask the minister to confine himself to a very brief answer.

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): It is such a wide subject, Mr. Speaker, that it is very difficult to confine myself. Let me say this: the Chinese are coming to Canada to buy wheat this month. They are coming here again in March to look at our telecommunications systems. They are also coming here in April to look at other materials which we can sell them. We are going to China this month in connection with an oil deal. A group of engineers is going there to look into the possibility of assisting them in the iron ore industry. In March, a group of businessmen connected

with the non-ferrous metal industry is going to China to find out whether we can sell them non-ferrous equipment—

Some hon. Members: Hear, hear!

* * *

NATIONAL REVENUE

CUSTOMS INSPECTIONS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct questions to the Minister of National Revenue. I believe he received notice about them about three hours ago. They have to do with the policy of his department as it applies to Customs inspection.

Last Tuesday night, of 49 passengers who disembarked at Regina from a charter flight, 41 were cleared and the others had to go to Calgary, stay overnight and come back the next day because they could not get cleared through Customs. I want to ask the minister what the policy of the department is at airports such as Regina with regard to clearing charter flight passengers after Revenue Canada has received advance notice of the arrival of those passengers.

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): I might say I have also had a chance to talk to the hon. member for Assiniboia about this problem. There is some justice on both sides in this matter. The air carriers going into Regina fully understand that the facilities there have been limited to accommodating 40 passengers. PWA knew about this and did not advise the Regina Customs clearance people that there would be more than that. When they arrived, the Customs officer interpreted the rules with excessive strictness.

• (1500)

Some hon. Members: Oh, oh!

Mr. Abbott: I can say, without hesitation, that an apology has been given by the department. Obviously, the officer acted with undue strict adherence to the rules, but I might also say that PWA has apologized for not notifying the airport that it would be arriving with more than the limited number to which I referred.

Mr. Benjamin: Mr. Speaker, I remind the minister that in the security area at the airport at Regina, 130 passengers can be held and they can be moved ten at a time into the Customs room.

Will the minister refund to those passengers any extra expenses they had to pay for hotel rooms and meals because of something which the minister blames on somebody in Regina but the fault for which actually is in Ottawa?

Will the minister provide refunds to those persons and, after this, when there are more people than the number indicated by airlines or travel agencies, will the matter be taken up with

those airlines or travel agencies and not taken out on the passengers?

Mr. Abbott: Mr. Speaker, as I said—I hope I implied this—in a future circumstance of this kind when there is a misunderstanding I hope the officers responsible will act with a degree of common sense which perhaps was not shown in this case. Nonetheless, I reiterate that the airline knew full well the limit there was to the servicing facilities involved. We are looking at the Regina airport because I think there is clearly a case for an expansion of the number—

Mr. Benjamin: Tell that to Otto.

Mr. Abbott: My colleague is fully aware of this, but at the moment the policy is being reviewed as to the total number which can be accommodated. However, I cannot undertake at this time to offer any compensation.

* * *

POINT OF ORDER

MR. MAZANKOWSKI—STATEMENT OF MINISTER OF TRANSPORT—ALLEGED USE OF UNPARLIAMENTARY LANGUAGE

Mr. Don Mazankowski (Vegreville): Mr. Speaker, you will recall that yesterday I drew to your attention the choice of language which was used by the Minister of Transport (Mr. Lang), and I thought he might rise today to respond to the invitation extended both by yourself and by the Deputy Prime Minister (Mr. MacEachen). Yesterday I did not have the benefit of reading the exchange which took place. I did, however, raise my point of order at that time on the basis of my best recollection. I drew attention to the fact that the minister had accused me of distorting the facts and of being irresponsible in interpreting a statement which he had made in the House on December 5, 1977. In examining yesterday's *Hansard* I find that the minister not only suggested distortion but also accused me of insisting on distortions. At page 2869 of *Hansard* the minister is recorded as having said the following:

> Once again, the hon. member insists on distorting the situation terribly—

Later the minister said that I was "restating what is false", and he asked me to "stop stating these falsehoods". Yesterday Your Honour suggested that the matter should be held in abeyance, and Your Honour anticipated that perhaps the minister might respond today. He has not risen in his place, so I wish to raise the issue again on the basis of having examined yesterday's *Hansard*.

I see two issues in this matter. I see a responsibility on the part of the minister to put the facts of the matter into an accurate perspective. I attempted to do that yesterday. I put on the record the statement to which I had referred in my question, that statement being found at page 1534 of *Hansard* for December 5, 1977, which is the following:

> I have instructed that additional inspectors be hired and a significant number of them made available to the north.

Point of Order—Mr. Mazankowski

Yesterday in response to the question I posed, the minister suggested or implied that his commitment to hire additional inspectors was in relation only to the northern part of Ontario. He suggested, therefore, that I was distorting facts and stating a falsehood.

However, on the basis of the information we have there has clearly been a reduction in the number of inspectors since that time, and the statement the minister made as recorded at page 1534 indicates distinctly and categorically that he had ordered the hiring of inspectors, some of whom would be assigned to the northern Ontario region but not specifically limited to the northern Ontario region. There is, therefore, a clear contradiction, and I think the minister should recognize that.

I think it is quite clear that the minister was imputing motives when he used these words:

Once again, the hon. member insists on distorting the situation terribly—

First, the minister has no proof of that. Second, in my view his remarks were clearly unparliamentary.

Citation 320(2) of the fifth edition of Beauchesne, which has just recently been issued, states at page 105:

Since 1958, it has been ruled unparliamentary to use the following expressions:

Then at page 106 we find under the heading "distort" the words "deliberate distortion" and "deliberately distorted". The word "false" is dealt with at page 107, and the words "false statement" are included. In my opinion the words "the hon. member insists on distorting the situation terribly" have the effect of implying the same meaning as "deliberate distortion". To ratify that assumption I refer Your Honour to the Concise Oxford Dictionary and the definition of the word "deliberate" which, in short form, is "intentional". The meaning of the word "insist", according to the Concise Oxford Dictionary , is "to maintain positively". In my view both expressions involve an intention. If "deliberate distortion" is unparliamentary, I believe it is unparliamentary because it imputes to an hon. member an intention to distort. To maintain positively is to intend to distort, and therefore in my view that language is just as offensive or just as unparliamentary as the word "deliberate".

I believe that in his somewhat usual intemperate outburst the minister was perhaps overcome by emotion and a little sensitive to the situation. However, as one who is very distinguished in the field of law as a law professor and as one who should certainly be setting an example by obeying the laws of the land and the rules of parliamentary tradition, I think the minister should do the honourable thing and withdraw his offensive words. Because there clearly was a deliberate attempt on his part to impute motives, and I was not doing that.

My question was phrased with the utmost sincerity. The matter of aviation safety in Canada is very important. It is rather unfair of the minister to suggest that it was an attack to deliberately destroy or malign statistics and interpretations which might or might not have been placed upon his statement. So I certainly suggest you consider it, sir, and if you find that the words are unparliamentary—I believe they are—then I think the minister should do the honourable thing and withdraw his remarks.

[Mr. Mazankowski.]

● (1510)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the hon. member has now switched from a discussion of a point of order along the lines he raised yesterday to raising some issue in relation to parliamentary and unparliamentary language. I do not know whether or not he gave notice of it to Your Honour, but he certainly did not to me. I have not reflected on the language and cannot deal with that matter at all, so I will simply content myself with dealing with the point of order which the hon. member raised yesterday.

Surely any fair minded member would realize that I was reacting strongly to a suggestion by the hon. member that I had been in breach of a commitment. I did react strongly because I knew that that could not be true. I did not have the words and the passages before me to which the hon. member had referred because he did not give notice of the fact that he was going to refer to them; but the hon. member had those passages before him, and in particular, as he noted yesterday, he relied on words of mine quoted in *Hansard* at page 1534 where I am reported to have stated:

I have instructed that additional inspectors be hired and a significant number of them made available to the north.

If the hon. member has asked me whether I had done as I had committed myself to do, namely, instruct that additional inspectors be hired and a significant number of them be made available to the north, he would have received a firm, positive answer that I did so. He did not ask that question, perhaps because he knew that the answer was indeed positive. But clearly he has no evidence whatsoever—

An hon. Member: You are imputing motives.

Mr. Lang: —of any breach of commitment on my part. I say that when using those words, he twisted them to mean that I was in breach of a commitment which he alleges I made in relation to the number of inspectors. He was being unfair. Whether or not being unfair is unparliamentary, I do not know, but I think the record stands. I think it is a little unfortunate that instead of trying to find the facts on presumably what he thought was a serious issue and asking questions about facts, he insists on raising the issue whether or not there was a commitment. My words on which he relied were:

I have instructed that additional inspectors be hired and a significant number of them be made available to the north.

I gave those instructions, and indeed a good number of inspectors were hired and an additional number has been made available to the north. Those are additional facts which he might have obtained had he asked the appropriate question.

Mr. Speaker: The hon. member for Vegreville (Mr. Mazankowski) has raised a point which relates to answers given by the Minister of Transport (Mr. Lang) yesterday, and taken initially as a point of order based on the fact that the minister

had left an impression by his answers which was inaccurate in terms of his position. That was the point of order which was originally raised. Both members have now returned to this matter and it remains essentially a strong disagreement between them. Each is entitled to his position. I would not want to try to classify that disagreement between him and the minister, who now insists that his position yesterday was right, as does the hon. member. That is a disagreement, no matter how strong, to which both members are entitled, and that is what this debating chamber is for. Therefore, I would not want to enter into that as a point of order.

However, today the hon. member has raised, as part of his discussion from yesterday, the reference by the minister to two terms in his answers yesterday, one having to do with a deliberate distortion, the other having to do with returning or insisting on returning to a falsehood which the minister says he is not prepared to argue, and naturally I accept that he is not prepared to argue that point today.

My initial impression, from looking quickly at the precedent that was cited by the hon. member today, is that, without having carefully examined the context in which they were used, these words tend to be unparliamentary; but they may not be so in the context. In any case, I think the minister should have a chance to direct his attention to that language to determine for himself whether or not it is unparliamentary. I will do the same, and perhaps within the next day or two, at an agreeable time, if he wishes to argue further, he may do so; if not, I will ask him to withdraw his remarks.

Mr. Lang: Mr. Speaker, I am not sure that the matter deserves your further attention or indeed that of other members of the House.

An hon. Member: You cannot dictate to Mr. Speaker.

Mr. Lang: I know that you will either find that the words are parliamentary, and that will be the end of it, or you will find that they are unparliamentary, and in that case you will indicate that it would be appropriate for me to withdraw them, and of course I would then withdraw them. So I would perhaps settle the issue now by saying that if there is anything in those words that is found to be unparliamentary, I will obviously withdraw them; but I think my answer today meets my point.

Some hon. Members: Oh, oh!

Mr. Speaker: I think I can say to the House that on the face of it, without examining the matter further, those expressions at least would come close enough now that, out of an abundance of caution and in order to safeguard decorum in the House, it would be the right thing for me to do to make a preliminary finding that they would appear to be unparliamentary, to ask the minister formally to withdraw them, and the matter would then be closed.

Mr. Lang: Mr. Speaker, I am glad to do that. As I said, I do not think it deserves either your time or mine.

Mr. Mazankowski: Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Speaker: I think the minister has made it clear that he abides by that finding and he has withdrawn the language.

Mr. Baker (Grenville-Carleton): And he has been gracious about it, too!

Some hon. Members: Shame!

ROUTINE PROCEEDINGS

[*English*]

JUSTICE AND LEGAL AFFAIRS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. James A. McGrath (St. John's East) moved that the second report of the Standing Committee on Justice and Legal Affairs, presented to the House on Thursday, December 21, 1978, be concurred in.

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): Mr. Speaker, I would argue on a point of order that this report of the standing committee is out of order, and that therefore the motion to concur in it cannot be debated. First, I would refer you to Beauchesne, citation 323(1), which reads as follows:

> A committee report may be ruled out of order though it has been received by the House, and the motion to concur therein cannot be entertained.

Now the thrust of this particular quotation is quite clear—that the simple fact that a committee report has been accepted in this place does not mean of itself that the report is in fact in order. I will argue that the motion moved by the hon. member for St. John's East (Mr. McGrath) for concurrence in the report of the Standing Committee on Justice and Legal Affairs is out of order.

First of all, I should like to quote Beauchesne's citation 304, subsections (1), (2) and (4), to prove my point. Citation 304(1) reads as follows:

> A committee can only consider those matters which have been committed to it by the House.

Quite evidently Bill C-204 does not include any reference whatsoever to the matter referred to the committee in the motion, that is, the penitentiary system dealing with children and adults. The bill does not even touch that particular matter, and therefore the committee has given consideration in preparing this motion to a subject that has not been referred to it, and it is not entitled to do so.

Citation 304(2) reads:

> A committee is bound by, and is not at liberty to depart from, the order of reference. In the case of a select committee upon a bill, the bill committed to it is itself the order of reference to the committee, who must report it with or without amendment to the House.

● (1520)

Under this subsection of Beauchesne, quite clearly the report before us is neither an amendment nor a report of the bill referred to the committee. It is quite evident the report is neither an amendment to Bill C-204 nor a report respecting Bill C-204. For those reasons, it goes beyond the terms of reference of the particular committee.

I should like to refer to citation 304(4) of Beauchesne's fourth edition which reads as follows:

Sometimes a committee may have to obtain leave from the House to make a special report when its order of reference is limited in scope.

This is a very operative section of Beauchesne because it makes very clear that under circumstances such as we face today in the House, if a committee wishes to expand its terms of reference or go beyond the terms it already has in making a report or in any other activity, then it must seek leave of the House to do so. Therefore, it is quite clear unanimous consent would be required before the motion of concurrence can be put to the House. I suggest this motion cannot be put without such concurrence.

Further, the committee has gone beyond its terms of reference by using the words of the motion itself, which seems to be quite evident when it considered the advisability of amplifying and enlarging its said reference. This seems to be a very open and tacit admission that in fact an attempt is being made by the motion to go beyond and enlarge the committee's terms of reference, which attempt is prohibited under the rules of the House. In passing the second report, the committee is admitting openly that it is attempting to go beyond the terms of reference given it by the House.

In my judgment, this motion is one without clear direction and meaning. I find it very strange that the second report requests the House to consider the advisability of amplifying and enlarging its said reference. That seems to be very strange wording. If in fact the motion were put, and if concurrence with the report were accepted by the House, it would not really do anything. It would not do anything because the motion would not enlarge the terms of reference of the committee. The motion is not directed toward the committee; it is directed toward the House's considering the advisability of such a matter. I do not know the mechanism the House would have before it to consider the advisability. Even on that practical ground, I would say that the motion of concurrence would have no meaning in terms of achieving an expansion of the terms of reference of the Standing Committee on Justice and Legal Affairs.

This motion for concurrence cannot be put at this time under the rules of the House, under the precedents I have cited, and therefore the motion cannot be debated.

Mr. Speaker: Order, please. I do not know if it is necessary to go into a lengthy discussion on this point of order, but we can set aside one part of the argument immediately. I understand the point that a committee seized of a bill in the ordinary motion of reference of a bill to a committee is under somewhat strict terms of reference respecting that. It cannot attempt to launch into other investigations, or probably it cannot even come back to the House. I am not trying to make law, but the precedent cited respecting that is very clear.

In the ordinary course of second reading, when a bill is referred to a committee for clause by clause study, the committee has certain limitations under which it must act and must report the bill back with or without amendment. To begin with, I understand that this is not a situation in which a bill has been referred to a committee, but the subject matter of the bill has been referred. That is an important distinction to start with, because obviously the committee is not under that stricture. That being the case, it is a committee to which a subject has been referred.

When a subject is referred to a committee, and when the committee looking at the subject indicates that it feels constrained by the first term of reference, which is the reference of the subject matter, and that it wants to acknowledge to the House that its terms of reference are restricted, that it is seeking additional powers, and that it ought not to attempt to exercise those powers without the permission of the House, then the committee reports to the House asking the House to give or consider giving those extended powers.

I would have to be persuaded that a committee cannot do so. That would be very difficult to do. A committee seized of a subject matter, which seeks to extend its term of reference and wants additional authority, must come back to the House. Having done so, it reports to the House and indicates; "This is what we have examined, and we find our hands are slightly tied and we need additional power".

For example, I am sure there have been numerous occasions in the past when an order of reference has been given to a committee to examine and inquire into a certain subject matter in Ottawa, and the committee finds that it wants to travel. Properly it comes back to the House and indicates that it would like authority to travel and to hold meetings in various areas of the country; can it do so? Obviously it must be beyond the original terms of reference or the committee would not be coming back to the House for further permission. It cannot do it without coming back to the House, and if it cannot come back to the House to ask, then I do not know what the committee can do or what course it can follow.

This report of the committee does not tie the hands of the House, but I do not think that is the concern of the Chair. In the end the report recommends or asks the House to consider the advisability of extending the committee's terms of reference. Therefore, concurrence in the report would put the House in the position of having to consider the advisability of extending the terms of reference. It does not constitute a motion for an extended term of reference. I accept that point, as I think the House does. But that is not a procedural matter; that is the content of the report. The report is that the committee seeks an extended term of reference.

If the committee were seeking an extended term of reference which might be argued was not in any way relevant to the subject matter, we might be on different ground; but we are not. Obviously if the committee wanted to inquire into some-

thing which was entirely without relevance, it might be argued on a matter of relevance that there might be some difficulty.

Basically I must find in the circumstances that this is not a situation in which a bill has been referred to a committee, but rather one in which a subject matter has been referred. It is a situation in which the committee acknowledges it needs or wants an additional term of reference. Also the committee acknowledges that in order to get it, it must first come to the House. That is what the committee is doing by way of this report. I do not see how a committee can be expected to act otherwise. I do not think I could make any ruling which would prevent a committee from doing so, provided that it is relevant.

Finally, I accept the point that concurrence in this report does nothing more than leave the House in the position of considering the advisability of extending the terms of reference. In my opinion, it would not constitute a direction that that order of reference must be taken as having been extended without some additional motion. That would be the disposition I would make.

I do not think we ought to spend a lot of time attempting to enter arguments into that position. I accept the last point that the content of the report is not a directive to the House. Since this is a situation in which a subject matter was referred to a committee, and since the committee acknowledges by this report that it must come to the House for expanded terms of reference, procedurally it is a proper course to follow and the motion should be put.

Mr. Cafik: Mr. Speaker, I am not sure whether I am on solid ground. I am not attempting to challenge anything Your Honour may rule. I did not make a very heavy point of this in my remarks, but I would argue that the attempt to expand the reference in fact is not relevant to the bill before the particular committee.

Mr. Knowles (Winnipeg North Centre): There is no bill before the committee.

Mr. Cafik: Substantially the subject matter deals with the question of a Canadian bill of rights for children. An attempt to deal with the penal system respecting both children and adults in fact is not relevant to the subject matter of Bill C-204.

● (1530)

Mr. Speaker: I am prepared to await the debate on the motion itself to find out what is intended by that. Certainly the penal system as it relates to children must, by the very terms of the motion, be relevant. Whether in order to inquire into the penal system as it relates to children it is necessary to inquire into it as it relates to adults at the same time, I do not know. In any event, I will reserve in respect of the last point argued by the minister and listen to the debate as it unfolds to determine whether there is any relevancy in respect of the penal system regarding adults. I think, with respect, we should hear the arguments in order to determine whether that last point is valid.

Therefore, I will put the motion of the hon. member. The hon. member for St. John's East (Mr. McGrath), seconded by the hon. member for New Westminster (Mr. Leggatt) has moved that the second report of the Standing Committee on Justice and Legal Affairs, presented to the House on Thursday, December 21, 1978, be concurred in.

Mr. McGrath: Mr. Speaker, I should like to say a few words in support of my motion which is now properly and procedurally before the House, notwithstanding the intervention of the deputy government House leader, the distinguished and learned Minister of State (Multiculturalism) (Mr. Cafik). I cannot resist the temptation to say that any time the government has a weak case it puts up the deputy government House leader to make its statement. I am surprised he has not caught on by now, Mr. Speaker, but perhaps he will after today.

What we have before the House, Mr. Speaker, is a motion for concurrence in the second report of the Standing Committee on Justice and Legal Affairs. This is necessary for the purpose of conforming with parliamentary procedure. If you scratch away the parliamentary niceties and brush off all the parliamentary foss and look underneath, what you will find is a mini-revolt by one of the standing committees of this House.

What the members of the Standing Committee on Justice and Legal Affairs, under the distinguished and learned chairmanship of the hon. member for Windsor-Walkerville (Mr. MacGuigan), is saying, in the words of Howard Beale, is: "We are mad as hell, we are not going to take it any more, we are fed up with being ignored by the government."

Why is the committee acting this way? Why is that standing committee, made up of such distinguished jurists as the hon. member for Calgary North (Mr. Woolliams), the hon. member for Yukon (Mr. Nielsen), the hon. member for New Westminster (Mr. Leggatt), and the hon. member for Toronto-Lakeshore (Mr. Robinson), not to mention the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn), acting in this way? We even have a "sea lawyer" on that committee from Newfoundland, Mr. Speaker, who perhaps deserves some mention in his own right. Why are those members of the Standing Committee on Justice and Legal Affairs interrupting their proceedings under the terms of reference regarding the subject matter of Bill C-204 to report back to the House? As I suggest, ostensibly it is to broaden the terms of reference to include the matter of the incarceration of children and the penal system as it relates to both children and adults.

Why did we feel that was necessary? We felt it necessary because we are involved in a most interesting and meaningful study. The committee is involved, during the first months of the International Year of the Child, in studying the whole question of children's rights and how we as a developed and enlightened nation treat our children.

The question came up during the course of the proceedings on the subject matter of Bill C-204, which I had the honour to sponsor, as to what became of the last order of reference before the committee. What happened to the committee's very learned and comprehensive report on the penitentiary system

in Canada? More particularly, what happened to the recommendations contained in the report of the subcommittee of the Standing Committee on Justice and Legal Affairs on the penitentiary system in Canada?

I was not a member of that subcommittee but my colleagues were, and they worked long and hard in the bipartisan way that has become characteristic of the Standing Committee on Justice and Legal Affairs under its distinguished chairman. They worked long and hard in the pursuit of this order of reference that they received from the House on October 21, 1976.

That committee travelled across the country and visited all of the major institutions in the Atlantic provinces, in Ontario, Quebec and British Columbia. It even looked at some of the penal institutions in the United States. It brought in its report with recommendations. This is probably one of the most outstanding reports of any standing commitee of this House, and it is an example of what committees of this House can do given the scope and the means to do so by the House.

We who are charged by this House with pursuing the order of reference now before the standing committee and the subject matter of Bill C-204 have the right, indeed the obligation, to ask the government why it did not act upon the recommendations of the subcommittee regarding the penitentiary system in Canada. That is a study that took over a year and cost the taxpayers over $100,000 in travelling expenses.

Mr. Blais: It wasn't much.

Mr. McGrath: The minister says it was not much. I can understand that comment from a minister who is a member of a government which would take away $83 million badly needed by the medical research community in this country, while on the other hand giving $18 million for arenas. I can understand that kind of comment, particularly from—

Mr. Blais: I rise on a point of order, Mr. Speaker. The comment I made relating to the $100,000 is that it was not very much in view of the very profitable recommendations we received from the subcommittee.

Mr. Nielsen: Implement them.

Mr. McGrath: I apologize to the minister for misunderstanding him. Perhaps in that same spirit he will be able to get up and tell us why, if this was of such value, he has not acted upon the recommendations contained therein. We will be anxiously awaiting—

Mr. Blais: On a point of order, Mr. Speaker, I fully intend to do so.

Mr. McGrath: We will be anxiously waiting to hear from the Solicitor General (Mr. Blais) in this regard. The standing committees of this House have become a bit of a joke under this government. The standing committees of this House have become a standing joke. Nobody bothers to go to committee meetings any more. The press does not bother to pay any attention, and government backbenchers, whose first duty it is to maintain the government's majority and a quorum in the committees, do not bother to go. On not one single occasion during the six or seven meetings we held in connection with the subject matter of Bill C-204 did we have a quorum. There were perhaps one or two government members present. The same was true of members of the opposition. I am not making any distinction there. The parliamentary secretaries were usually there because they are paid to be there, and I make no comment on that as the learned Parliamentary Secretary to the Solicitor General (Mr. Young) does a very good job in committees, and I commend him for that.

Some hon. Members: Hear, hear!

• (1540)

Mr. McGrath: The fact is that the members of this House are fed up with playing this government's game of sweeping things underneath the carpet by referring them to committees and then ignoring the reports of those committees.

I intend to document this case because we do not want to diminish or take away in any manner the importance of the order of reference now before the committee, the subject matter of Bill C-204, an act respecting a bill of rights for children, but before we proceed to draft our recommendations in this connection we would like to know what the government intends to do with our order of reference. We have heard distinguished witnesses from across the country, we will be hearing from the Human Rights Commission and, if we are lucky, we may even hear from one of the ministers of the government. The Minister of Justice (Mr. Lalonde) may decide to honour us with his presence although that has not been the case up to now. The Minister of National Health and Welfare (Miss Bégin), who has a special responsibility in this regard, may even honour us with her presence and tell us what the government proposes to do in the International Year of the Child and address some of the grave injustices which have crept into our system with respect to how we treat our children in this so-called enlightened society.

The fact of the matter is, sir, that we have a right and an obligation before we proceed any further to say, "Hold on, just a minute; before we play this government's game let's go back to the House and ask the government why they have not acted upon our last order of reference, our last recommendations contained in the standing report of the subcommittee into the penitentiary system of Canada.

I have been an active member of committees of this House since I was resurrected in 1968. I objected to the new rules of the House, which at the time were imposed by closure, because by taking out of the House the right to membership in committees we were destroying the very collegiality that was the core of the committee system whereby the committees built up this collegiality and expertise by the tenure of the membership. We have gone a long way in the destruction of that system.

One of the notable exceptions, however, is the Standing Committee on Justice and Legal Affairs, and that is due to

some of the distinguished lawyers in the House of Commons. Another exception is the Standing Committee on External Affairs and National Defence. These, however, are the only two committees that I can find which do any meaningful work, which have any degree of collegiality and which have built up any degree of expertise within their membership.

Mr. Knowles (Winnipeg North Centre): And veterans affairs.

Mr. McGrath: And veterans affairs, of course. I can go back, Mr. Speaker, to reports of committees in which I have been personally involved. I can go back to the last order of reference of the subject matter of private members' bills, one of which I had last year. The subject matter of one of the private members' bill dealt with pornography and obscenity under the Criminal Code. We heard witnesses. Indeed, one of the first witnesses we heard at that time in connection with the subject matter of these private members' bills was the former minister of justice. We travelled to Toronto and we saw evidence first-hand. We realized the gravity of the situation, and we made recommendations to the House.

To date those recommendations have not been acted upon. Why? Surely, we have a right to know why the government has not brought in the necessary amendments to the Criminal Code in pursuance of the recommendations of the Standing Committee on Justice and Legal Affairs as a result of the subject matter of the private member's bill dealing with the whole question of pornography and obscenity.

I can go to another reference to the committee with respect to child abuse which goes back to 1978. The recommendations of that order of reference were again as a result of a private member's initiative. I can document all of the recommendations of that committee which dealt with child abuse. It is a very serious matter and one that we have been seized with in our deliberations of the subject matter of Bill C-204.

Why has the government not acted upon those recommendations? The House thought that it was important enough to refer the matter to the justice committee, and the justice committee thought that is was important enough to hear witnesses and was seized with the urgency of the matter. They thought that it was important enough to bring in meaningful recommendations to the House which the House concurred in and which the government promptly proceeded to ignore. Why? We have the right to ask why the government continues to ignore the recommendations of the standing committees of this House.

I have another set of recommendations, which, if I may modestly say, are a result of my own initiative. They are with respect to a private member's bill which I brought before this House. The House, after a number of debates at second reading stage, agreed to have the subject matter of the bill referred to the Standing Committee on Health, Welfare and Social Affairs. That is the bill—I am glad to see that the Minister of Communications (Mrs. Sauvé) is in her seat—relating to amendments to the Broadcasting Act dealing with advertising directed at children. The House and the government thought that it was important enough to refer it to the committee. The committee thought that it was important enough to examine witnesses from all over the country. Indeed, from many different parts of the world experts were brought in and we heard evidence from them. We saw evidence with our own eyes.

As a result of bringing together all this evidence, we as a committee came to the conclusion that advertising directed at children on television was immoral and had no place in an enlightened society such as Canada's. We recommended that it be banned, and our recommendations were concurred in by the House on July 12, 1973 by a unanimous motion. We recommend that the CRTC pass regulations which provide that advertising not be directed exclusively at children. We made other recommendations which I will not take the time to describe, but they are there for all to see.

What has the government done by way of acting on these recommendations which were not only unanimously passed by a committee after exhaustive studies and many witnesses, but unanimously concurred in by the House? Why does the Minister of Communications not stand up in her place in the House, in this the International Year of the Child, and tell us why the government has not implemented the recommendations of the Standing Committee on Health, Welfare and Social Affairs passed by the House in July, 1973 requesting that advertising directed at children be eliminated? That was six years ago.

It is interesting and worth noting that only last year the federal communications commission and the federal trade commission in the United States came to the very conclusion that we as a parliamentary committee came to in 1973, that this kind of advertising should be banned. Yet we still have the shame and the scandal of our children being used by the broadcasting industry, the cereal manufacturers, the toy manufacturers and other advertisers as surrogates. The minister bows her head. Perhaps she may address herself to this question. Who knows, she may even hear from them, if she in fact knows about the report and if she knows about what is happening in the United States with respect to the FCC and the FTC regarding their attitude on advertising directed at children, which came about as a result of the study they commissioned. Perhaps the minister will tell us before this debate is over why the government in this the International Year of the Child has not acted upon the recommendation of a standing committee of this House which were unanimously adopted by this House which would end this form of exploitation of children.

Mrs. Sauvé: We do not interfere in content.

Mr. McGrath: Mr. Speaker, the Minister of Communications is saying something and I am not hearing her interjection.

Mr. Alexander: I think she wants to get involved in the debate a little later.

Mr. McGrath: Just to cover the whole spectrum since this government took office in 1968, I will go back to the report of

the Standing Committee on Transport and Communications. In 1969 the Standing Committee on Transport and Communications had referred to it a study of the transportation problems of the Atlantic provinces. It would be well for hon. members to look at these recommendations, which are too numerous for me to place on the record. These recommendations, unanimously adopted by the Standing Committee on Transport and Communications, unanimously concurred in by the House and ignored by the government of the day—the same government that sits over there today—deal with all the major questions of transportation within the Atlantic provinces.

● (1550)

Had these recommendations been acted upon in 1969, I submit to you, sir, that the economy of the Atlantic region would be much healthier than it is today, because transportation lies at the very root of some of the problems plaguing the Atlantic provinces.

The whole question of opening up the Atlantic region, opening up Labrador by a highway system to connect the north shore of the St. Lawrence to Goose Bay, is one of the recommendations that has not been acted upon to this day. Why not, Mr. Speaker? Surely the members of standing committees of this House have a right to know, before we proceed with any further studies and before we proceed with any further recommendations, why the government ignores these recommendations.

That is why this second report of the Standing Committee on Justice and Legal Affairs is before the House at this time. That is why the committee unanimously, in a bipartisan way, interrupted its proceedings in pursuit of its order of reference on the subject matter of Bill C-204, to get this report before the House so that we could hold the Solicitor General accountable for his failure to act on recommendations with respect to penitentiaries; so that we could hold the Minister of Communications accountable for not acting on recommendations of the broadcasting committee with respect to advertising directed at children.

The members of this House are mad, Mr. Speaker. The hon. lady opposite, for whom I have great respect, cautions me to keep it non-partisan. I am dealing with the government. Our joint grievance is against the government. That, I suppose, by its very nature will make it partisan because I am opposed to the government. I am sure the hon. member for Vancouver-Kingsway (Mrs. Holt), who was one of the outstanding members of that committee and was most diligent in participating in the penitentiary study, and who has been a good deputy chairman of the committee, is one of the members who will be contributing to the debate today. I am sure she will have her own grievance as to why the subject of the committee report has been ignored.

Surely the whole broad range of this debate has to do with the relevance of parliament itself. I think it can and must be said that, as a result of the rules changes imposed by closure in 1968, parliamentary committees were supposed to assume a new importance. In their legislative capacity they have functioned well in terms of dealing with government legislation. They are very restricted in that particular case, as was enunciated by Your Honour in the ruling on the point of order. But with respect to what should be their equally important function of dealing with the estimates, they have been a dismal failure. We have not influenced or changed one single estimate of this government because the rules do not permit us to do so. Under the rules of the House all estimates are deemed to have been passed and reported back to the House by committees as of midnight on May 31.

What a farce that is, Mr. Speaker. Is it any wonder that government members and opposition members alike are fed up and do not want to be a part of this meaningless charade? That is all it is, Mr. Speaker, a meaningless charade.

I believe that parliamentary committees under our system should have an ongoing investigatory function. Their terms of reference should be laid on the floor of the House at the commencement of each session so that annual reports would be automatically referred to them. There should be an expenditures committee to work in concert with the Standing Committee on Public Accounts in order to examine expenditures on an ongoing basis.

That raises the whole question of the Standing Committee on Procedure and Organization. Where is it? Why has it not been called? Why has the government not brought in a reference to the Standing Committee on Procedure and Organization? Only the government can bring in such a reference; only the government can manage the business of the House. The committee has not met this session and did not have a chance to report in the last session, notwithstanding the fact that it put together a very meaningful set of recommendations which would change the whole procedure of this House and bring it more in keeping with the live televising of debates which is affecting this place so profoundly.

What we are debating here today is this government's attitude to—one could almost say contempt for—parliament. Certainly, I have tried to demonstrate its contempt for parliamentary committees; it can only be described as contemptuous. How else can we explain the fact that the reference before the Standing Committee on Justice and Legal Affairs dealing with a bill of rights for children in this the International Year of the Child has not heard from the Minister of National Health and Welfare who has responsibility in this area, or from the Minister of Justice who has responsibility for the laws of this country? That speaks to their whole attitude toward the committees of this House.

Mr. Young: Neither of them was called.

Mr. McGrath: The Parliamentary Secretary to the Solicitor General says that neither of them has been called. In the case of the pornography bills that came before the Standing Committee on Justice and Legal Affairs last year, the first minister to appear was the Minister of Justice and he was not called; he asked to appear. It is not the practice of parliamentary committees to call ministers. If the minister has a bill before a

committee or a subject matter that is in his area, it is his responsibility to be there.

Mr. Young: Neither of those ministers was called.

Mr. McGrath: The parliamentary secretary says that neither minister was called, yet the parliamentary secretary knows full well that when we embarked upon our proceedings both the Parliamentary Secretary to the Minister of Justice (Mr. Lachance) and the Parliamentary Secretary to the Solicitor General indicated that they could not say at that time whether the minister would appear. If I am misreporting what the parliamentary secretary said, I will withdraw it without qualification; but that is my recollection.

Sir, we are mad as hell. We are just fed up with being used by this government as a carpet under which to sweep things they do not want to deal with. I think before we proceed any further with the terms of reference now before the Standing Committee on Justice and Legal Affairs, we have a right to know why the government continues to ignore the recommendations of the parliamentary committees of this House. Until we get this answer I submit to you that the standing committees of this House will not be able to function, because they will not be able to get enough members to constitute a quorum.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I should like to say first of all that I am very glad to take part in this debate and to speak after the hon. member for St. John's East (Mr. McGrath). I want to say immediately to the hon. gentleman that I fully intend to support the motion under review, and that contrary to what he suggested in his remarks, we have already implemented most of the recommendations of the parliamentary subcommittee he mentioned.

● (1600)

[*English*]

The reasons I support this motion are twofold: First, because this motion before us says a great deal about the importance and urgency attached to the subcommittee report by members of the standing committee, and I share that sense of importance and urgency; second, because I am most concerned with the inaccurate impression left by some of the media, and regretfully by some members of this House, that nothing is being done to implement reforms in the penitentiary system, and that the report of the subcommittee is being ignored by the government.

Let me elaborate briefly on both points. Hon. members will recall, Mr. Speaker, that the report of the subcommittee resulted from a motion made in this House by my predecessor more than two years ago. The subcommittee report was tabled in the House in June, 1977 and each of its 65 recommendations was responded to in an initial way in August of that year. There have been a number of documents tabled before the Standing Committee on Justice and Legal Affairs relating to the implementation of the recommendations. The latest is the one I circulated at the beginning of this week dated January, 1979 and which I believe each member of the Standing Committee on Justice and Legal Affairs has received.

In his initial response my predecessor made known his acceptance in whole or in part of 53 recommendations. He made it very clear that the officers and staff of the Canadian penitentiary service and all others concerned in the ministry of the Solicitor General will spare no effort in the implementation of the recommendations.

In November and December, 1977, the standing committee examined supplementary estimates and on that occasion held several meetings to consider a detailed recommendation-by-recommendation progress report on the implementation. That report was tabled by my predecessor. Just eight days after assuming office, less than one year ago, I attended before the committee. At that time I stated:

> I strongly endorse the statement of support made by my predecessor with respect to the general thrust and philosophy of the report, and I share his sense of urgent commitment to far reaching reform in corrections.

Since last February I have tabled two further recommendation-by-recommendation progress reports: last March at the time of the main estimates, and last November at the time of the supplementary estimates. Further reports are being prepared in readiness for the standing committee's consideration of further supplementary estimates and main estimates for the fiscal year 1979-80. Therefore, I will be appearing before the Standing Committee on Justice and Legal Affairs on the supplementary estimates, which will be tabled shortly, and also on the main estimates. At that time undoubtedly the committee will be examining the progress made in the implementation of the subcommittee's report.

But let us not look at the words contained in those reports; instead let us look at the actions. In spite of the difficulty of introducing major change into a complex system involving over 10,000 employees, more than 9,400 inmates and over 7,000 persons released under supervision, a large number of important changes have already been implemented in the Canadian corrections system since publication of the report. Some of these actions culminated in months or years of preparatory work already under way and given impetus by the report; others responded to specific recommendations contained in the report.

In this regard I will explain more fully. Independent chairmen have been appointed in all maximum security institutions to hear serious and flagrant disciplinary cases. A pilot grievance procedure introduced at the Prince Albert penitentiary in Saskatchewan has proven successful and will be implemented throughout the system this year. Incidentally, that is an undertaking I have given to the committee. An inspector general was appointed last spring. He has now conducted more than ten studies at the behest of the commissioner of the penitentiary. Inmate committees, citizen advisory committees and segregation review boards have been established at almost all institutions.

A major reorganization of national and regional headquarters has taken place, placing the institution under the direct command of a regional director general who in turn is directly responsible to the commissioner. Major new impetus has been given to the industries program to make it more productive, more efficient and more meaningful. Vocational training programs have been re-examined to tie in with the industries program and to get valid accreditation from relevant provincial jurisdiction. Just last week I attended in Vancouver in order to announce the closing of the Kingston prison for women, which again is in accordance with the recommendations of the subcommittee.

The probation period for new employees was extended from six months to 24 months. A new code of conduct for employees has been developed. That code has been fully discussed with members within the institutions. Five days per year of refresher training for employees has been instituted. This was done notwithstanding the fact that they have had a shortage of man-years of a result of government cutbacks and expenditures. We have had to find individual posts for training positions to accommodate that recommendation, and that was no mean effort on the part of the Canadian correctional staff.

Emergency response teams have been set up in all regions and most institutions. The "no deals" policy on hostage taking has been implemented. A wholly revised construction program was developed saving the taxpayer more than $200 million in capital costs and $60 million per year in operating costs.

New procedural safeguards for parole hearings were instituted in regulations under the Parole Act. Appointments were made of community representatives to parole panels in cases involving dangerous inmates. Treaties were signed for the exchange of offenders with the United States and Mexico in accordance with the Transfer of Offenders Act. Expansion of alternatives to incarceration available in the Criminal Code are contained in Bill C-21 now before the House.

[*Translation*]

And I would hope, Mr. Speaker, that the process to implement the recommendations of Bill C-21 could be speeded up so that we would really profit by the clauses concerning community service orders contained in the bill.

[*English*]

I could go on, Mr. Speaker, to outline other specific actions which have been instituted and implemented already in response to the report of the subcommittee, but I hope that I have made my point. A great deal has already been accomplished. I could also go on to outline other actions that are near to being implemented, but perhaps that kind of enumeration should await the meetings to be held by the standing committee as a result of passage of this motion, if it is so passed.

Mr. Nielsen: Mr. Speaker, may I ask a question of the minister?

[Mr. Blais.]

Mr. Blais: First I would like to complete my remarks before entertaining questions from the hon. member.

Mr. Nielsen: It will not be necessary then.

[*Translation*]

Mr. Blais: I find this a highly interesting question because the hon. member for St. John's East said that he had a responsibility, as member of the opposition, to oppose, and that regarding this report he had to take a stance. At least that is how I understood it, that he had to take a stance as an adversary, as a legitimate member of the opposition, and I recognize that. But as the hon. member for Vancouver-Kingsway (Mrs. Holt) indicated, there is a tendency among committee members not to take a partisan view but rather to try to improve the penitentiary system in collaboration with all members of parliament.

I certainly think that this should continue, but when I list all the advantages and all the basic changes we have introduced in the penitentiary system, I really question the intentions of opposition members who sit on that committee, because I am entirely committed, along with my officials, to implement changes according to the subcommittee's recommendations. I am fully committed to that and that has been one of my major concerns this past year. But when I see the lack of understanding shown by some opposition members in my own good faith and that of officials of the Canadian correctional service, I wonder if opposition members are really interested in ridding themselves of their partisanship and undertake the reforms suggested in their report.

● (1610)

[*English*]

Now for the second reason I support the motion. Because I had dedicated a great deal of effort over the past 12 months to implementation of the theme of the subcommittee report, and because I have seen at first hand the amount of effort put into its implementation by members of the Canadian correctional service it is with some degree of disappointment and frustration that I listen to suggestions that the government is doing nothing to further the goals set out by the parliamentary subcommittee. To my mind the frustration has been mutual because, undoubtedly, there has been frustration on the part of the committee. I have already recounted the support lent to the main theme and principles of the subcommittee report both by myself and by my predecessor. The main theme of the report, that of establishing and maintaining both a pervading attitude and a reality of professional discipline in corrections, is woven throughout the report's 200 pages, just as it unites the large number of specific initiatives taken by the government in response to the report. As I mentioned a few moments ago, we have already introduced several measures aimed at the creation of a highly disciplined, professional, career-oriented corrections service of the kind envisaged by the subcommittee.

I would be less than frank, however, if I failed to mention that in taking our responsibilities under the Penitentiary Act,

and in consequence of the system of responsible government under which we operate, it became clear to my predecessor and myself that some of the specific means suggested by the subcommittee were not the most appropriate or the most effective toward reaching the ends upon which we were all agreed. Because of this, I believe the altogether mistaken impression has been formed in some quarters that reform is not proceeding.

Perhaps I could give two examples. On December 10, 1978 I announced that the five-year construction program upon which the corrections service had embarked was undergoing major revision. In line with that revision a drastic cutback was made in the number of new institutions being planned, saving the taxpayer more than $225 million in capital costs and more than $60 million a year in operating costs. As part of the revision a decision was made to increase the maximum size of new institutions to 350 to 450 inmates, instead of the 250 inmates contemplated in the earlier program.

As I have pointed out, this decision as to capacity contrasted with earlier government policy and with the specific recommendation of the subcommittee, which supported the position taken earlier by the government. However, the earlier decision had not been supported by solid evidence that the smaller institutions were more effective in attaining correctional goals. In fact, the CCS undertook studies which revealed that no such evidence existed.

It is my view that a number of factors affect the success, or lack of success, of correctional institutions but that size is not the most important of these factors. Maybe it is not a very important factor at all, especially when we are talking not of a choice between small institutions and the huge 2,000 plus institutions which many American states operate, but rather of a choice between institutions of 250 inmates and institutions which have the capability of being expanded, should the demand warrant it, to a maximum of 450 inmates. I have made it clear that program quality would not be allowed to suffer, and I have also stressed the point that the living unit concept, another of the CCS policies supported by the subcommittee, would be used in all the new institutions. That is something on which I have insisted. In all the new buildings, even those designated as maximum security, the living unit concept is to be introduced.

I am sorry to say that some have interpreted this decision as a rejection of the fundamental philosophy contained in the subcommittee report. Most assuredly it is not. And this will not be the effect. It is because I am eager to clear up this confusion and correct this interpretation that I support the motion before us. I shall be willing to address this question fully when I appear again before the committee.

There have been suggestions that I have been interested in cutting back offender programs. To the contrary, hon. members will see from the close questioning of myself and my officials that I have been adamant in proceeding with the development of offender programs.

Let me give a second example. The subcommittee made several recommendations dealing with the organization and management of the correctional service, and of these recommendations 24 and 26 formed the core. The main import of this second recommendation was to remove the corrections service from the public service so as to give it the kind of independence, identity and flexibility which the subcommittee saw as being essential to its reform.

Both my predecessor and myself felt some initial misgivings about that package of recommendations, not because we did not approve the goal being sought—we did share that goal and we said so very clearly—but because we were not convinced that the means suggested by the subcommittee were the best for achieving it. My predecessor established a senior interdepartmental working group to examine that package of recommendations. I have received its report and, after studying the issue myself, I have concluded that a different set of measures would better enable us to establish the kind of highly disciplined, more independent professional career service which is the ultimate objective.

On this question, I frankly admit a fundamental difference in opinion with the subcommittee. The subcommittee recommended that the CCS be removed from the jurisdiction of the Public Service Staff Relations Act and the Public Service Employment Act and set up on the model of the RCMP. However, it was silent on the question of the acquired union rights of CCS employees.

I would argue that the subcommittee did not adequately think through the implications of this crucial distinction between the CCS and the RCMP. We must bear in mind that only one third of the CCS staff are guards. The CCS has been unionized for more than a decade; the RCMP, never. If the recommendation of the subcommittee were implemented literally, the CCS would automatically come under the jurisdiction of part IV of the Canada Labour Code which gives the employer rather less control in certain areas than do the Public Service Staff Relations Act and the Public Service Employment Act.

• (1620)

In the alternative, CCS employees would have to be stripped of many rights acquired and exercised for more than a decade. This drastic step was never advocated by the subcommittee, and with reason, because advocating such a step would mean that it would be impossible to manage the Canadian correctional service. There would be a very negative reaction within the service which would detrimentally affect morale within that service and the whole operation of the Canadian correctional service.

In light of this I suggested to the standing committee as long ago as last March that a number of very significant steps can be taken within the current framework of employer-employee relations to bring about the result both the committee and I are eager to achieve.

The steps are as follows: Establish in legislation a new and distinct corrections "family" category for all employees providing for the care, custody and training of offenders; establish the CCS as a separate employer under the law, thus giving the

CCS direct responsibility and accountability for collective bargaining and staff relations; including the new code of professional conduct in regulations under the Penitentiary Act; fully delegate staffing authority for the new employee category to the CCS from the Public Service Commission, thus enabling the CCS to recruit more directly and more in accordance with its own needs and priorities.

Implementation of this package of changes will further the development of the disciplined professional career service the subcommittee was aiming for. It is a very complex and large task to introduce such major changes into a large scale, highly decentralized and very complex organization with, to say the least, a difficult operating mandate to pursue, but this work is proceeding apace, as I will be glad to demonstrate to the standing committee.

The point of all this is that the quite erroneous interpretation has been placed on these developments that the subcommittee report is being rejected or, perhaps worse, ignored by the government because these differences over specific means have appeared. This impression is one I very much regret, and it is also one I wholly reject.

[*Translation*]

Mr. Speaker, obviously there is a misunderstanding here because the reservations I expressed at the first meeting of the Standing Committee on Justice and Legal Affairs on two of the basic recommendations have been given a false interpretation. These reservations have been interpreted as a complete rejection of the entire report. That is not at all the case. On the contrary, Mr. Speaker, even as far as recommendations numbers 24 and 26 are concerned, I fully support the principle underlying them and, if I may say so, I am fully geared to implementing them. Mr. Speaker, I would like the House to realize all the efforts that not only I but all my officers are making to implement those recommendations.

[*English*]

Furthermore, I think it is a most dangerous impression, as the subcommittee itself pointed out, because a great deal of the success or failure of reform depends heavily on attitudes.

I have tried today to stress the fact that penitentiary reform is the most important of the responsibilities I have as minister responsible for the CCS. I have also gone to some length to give my view of the basis for what I see as a major and regrettable misinterpretation of some of the actions of the government and of the government's intentions in this regard.

[*Translation*]

I shall not go any further today, Mr. Speaker, because I do not want to create controversy. I would like to persuade my colleagues on both sides of the House that I intend to implement the recommendations of the committee, that despite the allegations made by the hon. member for St. John's East. I do recognize that the rules of the House make it possible to undertake a thorough study of the recommendations to further implement these recommendations. We are prepared to appear before the committee at its request in order to justify our course of action, our implementing these recommendations. I simply urge hon. members on this side as well as on the other side to recognize that we operate within a huge, very complex system and that such fundamental changes as those put forward by the subcommittee are indeed very difficult to achieve. I further urge hon. members to recognize that these changes require a great deal of attention, of patience, of tolerance, of understanding from all the involved and interested parties.

[*English*]

Mr. Deputy Speaker: Does the hon. member for Yukon (Mr. Nielsen) wish at this time to ask the question he wanted to put?

Mr. Nielsen: Mr. Speaker, the question I had in mind will not be relevant now because the minister passed over the stage in his speech where it would have been, but I want to clarify something else of great importance. The minister said two or three times during his remarks that the government would be voting for the motion. Having regard to the remarks of the Chair before debate on the motion began, does that mean that the government will be voting for the motion in its present state and in its present wording?

Mr. Blais: Mr. Speaker, I am not absolutely a procedural purist but, as I understand it, we are dealing with the motion which is before the House, and that is the motion I intend to support.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I should say initially that I am very pleased that the Solicitor General (Mr. Blais) has indicated that he intends to support the motion. I think we should get into some discussion, subsequent to the vote, on the specifics of the reference with respect to the penitentiary system which has taken up the entirety of the remarks of the Solicitor General. Perhaps we should think about a limited one-month reference. I would like the Solicitor General to consider a travelling option for the members of the subcommittee. It is absolutely vital that the subcommittee have an opportunity to examine, on the ground in the penitentiary system, the impact of all the changes the Solicitor General says he has made and which we have adopted. The Solicitor General could rise in his place now, if he will permit me to complete my remarks subsequently, to demonstrate his sincerity and to say that he is now willing to allow the subcommittee travelling privileges and the opportunity to visit maximum security institutions once more to determine whether any change whatsoever has taken place, and what the extent of that change is.

Mr. Hogan: Get up and tell us, J.-J.

Mr. Leggatt: Mr. Speaker, I will not deal with the question of relevance. Since the Solicitor General did not mention the word "child" in any of his remarks, I presume that is no longer a question, and I hope that I will have the permission of the Chair to deal with the same specific subjects dealt with by the Solicitor General.

On the matter of how much of this report has been adopted and how much has not, I think it is important to remember that there are 65 recommendations of varying value. Some of those recommendations are very minor; they are easy to accomplish. Some of them recommend very serious changes, and the committee knew that that would be more difficult and would take a longer period of time. However, I submit that on any fair evaluation of the reaction to this unanimous report only tinkering recommendations have been adopted, and I think this committee will find, when it goes back inside the penitentiary system, that there has not been any change at all. In fact, I would go further and say that we in this country are in danger of being in the kind of situation we were in when the subcommittee commenced its investigation in 1977. I worry about the reports which are emanating from the maximum security systems. I worry about the potential for another crisis in the system.

One of the difficulties in trying to determine what the government's reaction to the report has been is, as I say, the value of the various recommendations. This was a bipartisan committee. It was a non-partisan committee, with more than two parties represented. I am sure that was a slip of the tongue on the part of my colleague, the hon. member for St. John's East (Mr. McGrath). It is vital that we look at the initial unanimous reaction of the committee to the study, and that was that a crisis exists within the Canadian penitentiary system. It was on the word "crisis" that the government demurred; the government said they cannot agree there is a crisis in the system.

● (1630)

From that point on the reaction of the committee members was one of disappointment, because we had looked at it on the ground and we felt that perhaps the government should have accepted the reaction of the committee members who had spent such a long time on the study. We had visited 17 institutions and interviewed 2,000 witnesses; it was a very extensive study.

It is interesting also to remember that none of the members of that committee got everything they wanted in that report. Compromises were made by all members of the committee, but we felt that in the interests of the country we should bury our differences which we have in the House from time to time, and we found the things on which we could agree for the good of the system and the good of the country. That is why we have been concerned about the fact that the Solicitor General does not have the same kind of reaction, the same kind of concern, that we have in looking at it on the ground.

The Solicitor General indicated in his remarks that he had just been out west where he had announced the phasing out of the women's prison, but I do not recall whether he had had a visit with the guards of, for example, the British Columbia penitentiary while he was there putting out his press release and having interviews on radio and television. I am not sure whether he did a tour of the B.C. pen, but if he did not he should have because one must be inside those institutions to know what is going on. There is no value in relying on rumour and all the things that emanate from there; you have to be on the ground.

Mr. Blais: Mr. Speaker, may I rise on a point of order with reference to the remarks of the hon. gentleman. May I say that I have been to the B.C. pen and I also took the opportunity when I was in Vancouver to announce that I fully intend to close the B.C. pen in order to alleviate the concerns of the hon. gentleman.

Mr. Leggatt: My apologies to the minister, Mr. Speaker. I was not aware he had actually toured the B.C. pen and I give him credit for having done so. However, I think he should also have met with the correctional officers in that institution because they have some serious grievances they want to take up with the Solicitor General.

In any event, let us examine which recommendations have been adopted and which have not. Let us take a look at the record. On August 5, 1977, the then solicitor general said: "I have accepted 53 of the recommendations in whole or in part." In February of 1978, the present Solicitor General said: "Thirty-seven of the recommendations have been implemented or are in the process of being implemented." Now we are down to 37. Again, in October of 1978 the Solicitor General said: "As of the end of October, 1978, 22 recommendations have been completely implemented."

Let us examine what really happened. Of those 22 recommendations implemented by the end of October, 1978, two were implemented as pilot projects, one was rejected but called implemented and at least three implementations are questionable: The staff and inmates identification tags, the no deal rule on hostage taking, the completion of post-analysis and dual responsibility for programs and security matters for all staff. This leaves a total of 14 recommendations implemented of the 65 over a period of a year and eight months since the subcommittee reported to the House.

I am sure the Solicitor General and I can get into a rather lengthy debate about the quality of implementation and about what implementation really means. I accept that as probably the kind of argument anyone can have, but the reality is that a careful analysis of the report still leaves only 14 recommendations implemented and the major recommendations have not really been touched.

Let me give some examples. When we recommended early retirement for those who work within the institutions, we asked: Why should the RCMP have a special advantage in terms of their pension when someone who works inside those institutions, who faces hostility every day and who has one of the toughest jobs in the country has to serve until he is 60 years old? We found a great many people within the institutions who deserve to have a chance at a second career or at early retirement. That was absolutely key to doing something about the morale within the institutions. We were seriously concerned about the horribly low morale in the penitentiary system. Where has the recommendations with regard to early retirement gone? That is a fundamental question. If you are

changing some of the conditions of the people who work within the institutions, you cannot pick and choose; you cannot take the pieces you like and reject those which, for some reason or other, you do not like. I submit that that has been the attitude of the government.

Let me give another example. The Solicitor General in the course of his remarks mentioned that the department has gone to a regional director system. Allegedly, that was some kind of an acceptance of our report. In fact, it flies in the face of our report; it goes in exactly the opposite direction. We recommended that regions be de-emphasized. We recommended that the director of a penitentiary be master of his own institution. He is on the line, he takes the risks, he must make those important decisions. Instead of regions being phased out, the opposite has happened. There has been an increase of about 20 per cent since our report came out. Not only has there not been acceptance of our recommendations, but decisions have been taken going in the opposite direction. That was why members of our committee have been seriously frustrated by the reaction of the government.

Now I want to deal with a couple of the other recommendations. One of them may be typical of a great deal of what is happening in the Solicitor General's department. It sounds like a minor thing. We recommended that inmates and guards should wear tags to identify themselves in the event of some problem arising, such as a scuffle, an assault, etc. What was the response? We were told that this has been accepted 100 per cent and an order went out that everyone wear name tags. First of all, the guards did not want to wear them, then the prisoners did not want to wear them, so they decided they would make the guards wear them but not the prisoners. In fact, I have recently received a letter from the Solicitor General stating the following:

> Because of these problems, and after extended discussions, it was decided that staff will wear the plastic name tags as part of their uniform, and that inmates will not be required actually to wear name tags but, instead, must have their identification card in their possession at all times and produce it on demand.

Again it is a simple question of morale: Why should one side be required to wear the tags and not the other side? That is how you destroy morale within an institution. That is one of those famous recommendations which we were told has been adopted. A typical kind of reaction was, "We love your report; we are adopting your recommendation". In fact that was not the case. The people have been misled and the country is being misled because of the inadequate response to the report.

I mentioned earlier the concerns about the present condition of the institutions. I will read a letter that came into my hands, and I will not identify the people in it because, as we all know, of the sensitivity within the institution. This letter refers to the present condition of the Millhaven institution. As an ex-committee member I quote from the letter as follows:

> I know and feel the mood of the joint. It's ready to blow and harder than ever before. I don't believe anything can stop it. I am just letting you know in advance. It could make interesting news. Merry Christmas.

[Mr. Leggatt.]

● (1640)

That is typical not of one institution but of four or five maximum security institutions in Canada. Not one serious incident occurred while the committee investigated the institutions of Canada. They were cool, they knew someone cared and was paying attention. They knew that some action was happening regarding these problems. We as members of parliament, the Solicitor General and his department, must go back and convince everyone inside those institutions that we care and will change the situation.

Some hon. Members: Hear, hear!

Mr. Leggatt: It cannot be done with three-quarters of an hour of rhetoric in the House. It cannot be done by indicating that it has been adopted, everything is fine, and by throwing around the soft soap. One cannot do that because the penitentiaries are too dangerous. One cannot "con a con". One cannot con people inside those institutions because they live in those conditions and know which changes have taken place. It is important to have another reference. I am not suggesting a long one. It could be a short one. But it is important because again we will be provided with an opportunity to look inside and see whether conditions have changed, whether we can do anything to effect some change in the atmosphere. I do not mean to be overdramatic, but perhaps we can save someone's life. One must remember that many lives have been lost within the Canadian penitentiary service.

I should like to refer to the prison expansion program to which the Solicitor General referred. The government recently cut back the program, but we still are looking at $302.7 million. I do not agree with the philosophy that we should go to larger institutions, because that will not be the absolute key. It is what goes on within the walls which is the important key. I do not believe we should spend another dollar constructing any more prisons in the country until we do something about changing the conditions inside the existing ones.

Some hon. Members: Hear, hear!

Mr. Leggatt: I agree we need more prisons and that the dungeon prisons need to be phased out at some time, but we cannot phase them out until we have done the hard things contained in the report.

What happened to the prison industry concept? It was one of the more imaginative ideas developed by all committee members. Admittedly there has been some minor progress in terms of the study of this concept. I have not heard how much consultation has taken place with the Canadian Labour Congress, the Canadian Chamber of Commerce and various Canadian industries to ensure that prisoners are productive, that there is a large and massive sale of goods produced by convicts on the market so that prisoners could pay their own way, support their dependants and compensate their victims. It would provide them with opportunities to receive some training and achieve a sense of well-being until they are released. One should make no mistake. There are very few people who will

not be back among the public. I have not heard much about such consultation.

In conclusion, I should like to make some comments in support of what was said by the hon. member for St. John's East (Mr. McGrath) concerning the frustrations of the committee system. From time to time I have sat on both the Standing Committee on External Affairs and National Defence and the Standing Committee on Justice and Legal Affairs. I am disappointed that we in the House have not been able to use our committee system more effectively. Because of the fine work of the committee chairman, the hon. member for Windsor-Walkerville (Mr. MacGuigan), I thought we were making a very interesting beginning. I thought we would be able to say that members of parliament do not sit and think about votes every minute of the day. I thought they could actually sit down and say that we have a national problem. We have identified it, we have seen it. I thought members would agree that we would solve the problem rather than making any more. When a government receives this type of report, it is vitally important that it be taken seriously and adopted. I cannot say that all 65 recommendations should be adopted, but surely the major and key recommendations should be.

When that has been accomplished, we will have gone a long way toward improving the committee system, the House and the manner in which members of parliament can make some positive contribution to the people of the country in general and their own constituents.

Some hon. Members: Hear, hear!

Mr. Leggatt: It is the reaction of the Solicitor General and his department to this report which in fact is hurting very badly the committee system of the House.

Of course, I am pleased this motion will be concurred in by the government. I would like the Solicitor General to take an opportunity, as quickly as possible, to specify what the government has agreed to in terms of the new reference. Since the government has adopted the motion of the hon. member for St. John's East, the committee should have no less a mandate than was given to the other subcommittee studying the penitentiary system. I agree there must be a limited time frame, but at least we will have an opportunity to examine the institutions again and see whether there has been any meaningful change.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I just want to make a few comments on the motion introduced by the hon. member for St. John's East (Mr. McGrath) and seconded by the hon. member for New Westminster (Mr. Leggatt).

First of all, I congratulate the Solicitor General for his good words. He tried to encourage members of the opposition, saying in particular he wanted to see us be non-partisan. I think we have always worked in a non-partisan way in the Standing Committee on Justice and Legal Affairs and I am glad to see he recognizes that we want to be non-partisan.

An hon. Member: That is intelligent.

Mr. Beaudoin: Intelligence comes with non-partisanship.

What I note in the speech made by the Solicitor General is that he says he is prepared to force the officials of his department—he did not quite put it that way but I think that is what he meant—to force the officials of his department to set the main recommendations of the subcommittee on justice and legal affairs in motion. Again I congratulate him but what strikes me is that the only thing new right now is that they want to build other institutions. It seems to me the committee had recommended improving first what is working now in existing institutions—of course, things are going bad in some institutions.

I want to point out two things. First I think that for things to work well in institutions the number of inmates in each should not be increased from 250 to 400 as was recently decided because the committee determined that in an institution where you have 400 inmates it is very difficult to distinguish between those who want to help and better themselves and those who do not.

It is also difficult to separate the character differences of certain inmates. I therefore believe that the minister should consider suggesting to the Prison Guard Association that those who work within our institutions, and especially those who have direct contact with the inmates, not be entitled to belong to a union. In my opinion, as soon as there is a strong union within an institution, the union leaders, which include the president, the secretary and the executive, have a tendency to hide the little things that some of their colleagues can do to upset an inmate whom they do not like very much or whose looks they do not like, and so on. This was proven when we visited penal institutions. To insult an inmate, a guard may doodle on his letters or appear to be opening it or throwing it away, and so on. In my opinion, it is very frustrating for an inmate when a guard whom he must see every day does things like that.

I also believe that we should not spend one more dollar in our penal institutions without solving existing problems. We should also consider providing more reasonable wages for the inmate who wants to help himself. We should also, as recommended in the report, think about visiting rights and about making the prison system more humane by allowing visits for the wife of the inmate, his children, and so on, but in areas where the inmate and his wife and children could be left alone without being watched through a window, when the inmate has shown for example that he wants to amend his ways and become a full-part citizen after paying back society by serving his sentence.

I believe also that we should separate the inmates according to their age in present institutions. At this time, young people of 17, 18 or 19 are not comfortable when they are thrown in with 30, 40 or 50-year-old tough guys or hardened criminals. This is not their place, it is not their way of life. There are some who do not really mind and there is nothing we can do

for them, but as for the young people who are put in prison because of an unfortunate mistake or a drug charge—and I am not trying to excuse them, Mr. Speaker—I would like these inmates to have a chance to improve themselves and not be placed in permanent contact with hardened criminals or people who always lived outside the law or are always in trouble. As a matter of fact, they are always the ones to write to us.

We get dozens of letters, often from those who do not want to mend their ways. Those who do tell us either that they have been molested by a guard, or that the letter they sent out were opened, because they are being blackmailed; I feel we must absolutely improve that situation.

As for the committee, the minister is right in saying that it should look into the matter of the incarceration of children, the whole penal system for juvenile delinquents. In that regard, the study should also include what is shown on the state television network, in its various forms, whether it be films or stories which often are amoral, if not immoral as far as our children are concerned.

In closing, Mr. Speaker, I want to recommend first that the possibility be looked into of changing the status of our prison guards. If it were to correspond to that of the members of the RCMP or private police agents, the well-being of our prisoners would be improved. To my mind, that would be a great step forward.

● (1650)

[*English*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, before asking the House to call it five o'clock let me suggest to you that perhaps after the dinner hour we could confine our speeches to 20 minutes, thus enabling twice the normal number of members who might wish to speak on the matter to participate. I know there are three on this side who wish to speak, and I know for certain there are three members on the other side who wish to speak, all of whom were members of the subcommittee. If we limit ourselves to 20 minutes each we may get seven speakers on before the adjournment hour this evening. Perhaps the Chair could put that suggestion to the House and obtain a reaction.

Mr. Knowles (Winnipeg North Centre): We agree to the suggestion, Mr. Speaker.

The Acting Speaker (Mr. Turner): Is it agreed that speakers shall be limited to 20 minutes each during the remainder of this debate?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Agreed and so ordered.

Mr. Pinard: Under the circumstances, Mr. Speaker, perhaps I could ask for the unanimous consent of the House to deal with questions on the order paper before proceeding to the private members' hour?

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

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Agreed and so ordered.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 24, 143, 348, 389, 464, 469, 529, 530, 531, 532, 533, 534, 564, 574, 698, 749, 797, 799 and 800.

[*Text*]

BROCKVILLE MUNICIPAL AIRPORT

Question No. 24—**Mr. Cossitt:**

Did the Minister of Transport receive an application for funding from the City of Brockville under file number 5151-289 (A/OAOB) for a grant of $175,000 to improve the runways at the Brockville Municipal Airport and, if so (a) is the Minister aware of the dire necessity that the work be undertaken from the standpoint of safety and increased airport traffic (b) on what date will the Minister reach a decision on the application?

Hon. Otto E. Lang (Minister of Transport): I am aware of the city of Brockville's application for financial assistance to improve their airport. Unfortunately, due to the recent government decision to implement cost reduction, the Airports Capital Assistance Program has been terminated and Transport Canada cannot provide the assistance requested.

MR. JOCK FERGUSON

Question No. 143—**Mr. Cossitt:**

1. Did Mr. Jock Ferguson leave the Toronto CBC television news department and, if so (a) on what date (b) was he dismissed and for what reasons (c) what were his qualifications that lead originally to him being employed by the CBC and what reasons, if any, changed the CBC's attitude toward such qualifications?

2. Did he at any time act as an investigative reporter and, as a result, break some major news stories of the last few years and, if so, was his work considered satisfactory and if not, for what reason?

Hon. John Roberts (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Yes.

(a) September 27, 1978.

(b), (c), 2. He was dismissed. The circumstances of his leaving the CBC, together with those of his engagement, career, assignments and performance as an individual CBC employee are among those details of internal management and administration which parliament has not, as a matter of custom, required the CBC to provide. The

background to this custom was explained in the reply to question No. 2530, May 22, 1975.

CANADIAN NATIONAL FLAGS

Question No. 348—**Mr. Epp:**

Does Canada have more than one official national flag and, if so (a) which ones (b) under what circumstances or on which occasions can the different flags be flown?

Hon. John Roberts (Secretary of State): Canada has only one national flag—the flag described in the Royal Proclamation of January 28, 1965, which took effect on February 15 of that year.

CANADIAN RAILROADS

Question No. 389—**Mr. Herbert:**

During the past six years, what amount was (a) loaned (b) given or forgiven to Canadian railroads?

Hon. Otto E. Lang (Minister of Transport): Transport Canada advises as follows:

(a)	1972-73	$ 6,979,060.62
	1973-74	205,321,196.25
	1974-75	143,171,872.50
	1975-76	214,690,345.00
	1976-77	76,375,629.25
	1977-78	57,115,374.79
		$703,653,478.41
(b)	1972-73	$ 17,822,471.00
	1973-74	62,013,306.45
	1974-75	193,776,049.00
	1975-76	16,367,907.00
	1976-77	
	1977-78	58,646,120.00
		$348,625,853.45

Note: The above figures exclude any payment for services rendered or goods provided.

The Canadian Transport Commission advises as follows: no amounts of money have been loaned or forgiven to Canadian railroads.

Amounts "given" to Canadian railroads are broken down into, (a) subsidy payments pursuant to the Railway Act, (b) payments made in accordance with the Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act, and (c) funds which have been paid from the Railway Grade Crossing Fund.

(a) The commission as a regulatory body has paid subsidies to the railways for the years 1972-73 to 1977-78 as follows:

1972-73	$ 121,614,646.43
1973-74	172,137,997.67
1974-75	242,755,058.48
1975-76	326,168,637.68
1976-77	280,909,197.88
1977-78	302,018,494.92
Total	$1,445,604,033.06

These payments were made under section 256, 258, 261 and 272 of the Railway Act and include the following railways—Canadian National Railways, Canadian Pacific Railway, Algoma Central Railway, Northern Alberta Railways Company, Ontario Northland Transportation Commission and The Toronto, Hamilton and Buffalo Railway Company.

(b)

Payments to Railway Companies

$ (million)

	Column 1	Column 2
1972-73	13.0	—
1973-74	14.0	—
1974-75	15.1	.9
1975-76	16.0	1.8
1976-77	17.1	2.1
1977-78	16.1	1.9

Column 1: Maritime Freight Rates Act.
Column 2: Atlantic Region Freight Assistance Act.

(c) During the past six calendar years funds have been paid from the Railway Grade Crossing Fund to Canadian Railways, as follows:

1978 (January 1—October 31)	$ 3,577,369.45
1977	4,816,724.23
1976	4,123,159.60
1975	3,174,025.07
1974	2,814,861.84
1973	4,427,022.55
1972	3,606,286.24

STATISTICAL INFORMATION—DNR

Question No. 464—**Mr. Herbert:**

What statistical information is provided by the Department of National Revenue (a) automatically (b) on request to other departments or agencies of government?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): (a) Statistical information provided automatically by Customs and Excise: all travellers and immigrants entering Canada, annual report of the Department of National Revenue—Customs and Excise and taxation, comparative statement of excise duty collected, comparative statement of transactions in excisable products, shipment of domestic spirits, statement of tax and non-tax revenue, statistical information for Public Accounts—volume I, II, III, statistical report of container movements, the value and commodity of all goods entering Canada or exported from Canada, wine revenue statistics.

(b) Statistical information provided on request: duty revenue collected by province, gas tax revenue collected by region, revenue collected from excise taxes, beer, spirits

and the amount of proof gallons in the warehouse at the end of the year.

Taxation

(a) Standardized tabulations based on a sampling on the incomes, deductions and taxes of taxfilers distributed by such factors as age, sex, income level and geographical location. Eighteen of the most commonly used of these tabulations are publicized in the annual "Taxation Statistics", a publication widely distributed throughout the government and for sale in bookstores. In addition, other standardized tabulations are produced from other computer files on the whole tax-paying population to show all returns by marital status and personal exemptions claimed, for Canada and each province; distribution of CPP contributors; taxfilers by income class by locality and census division or county.

(b) Special rearranged tabulations of the data described above and, to Statistics Canada, any piece of information that has been provided to National Revenue for administration of the Income Tax Act, as authorized under the Statistics Act.

COURT ACTIONS AGAINST TRANSPORT CANADA AND AIR CANADA

Question No. 649—**Mr. Mazankowski:**

1. Since 1974, how many court actions or statements of claim or any other type of litigation were filed in American or Canadian courts against (a) Air Canada (b) the federal Crown with reference to the Department of Transport or any of its employees or the Minister of Transport and (i) what was the date in each case (ii) for each litigation, what was the allegation served and what amount of money was involved?

2. Since 1974, what was the total amount of money involved in all statements of claim filed in American or Canadian courts against (a) Air Canada (b) the federal Crown with reference to the Department of Transport or its employees or the Minister of Transport?

Hon. Otto E. Lang (Minister of Transport): The management of Air Canada and Transport Canada advise as follows: 1 and 2. The information requested is not readily available and to provide an accurate reply would entail a lengthy and costly examination of the records and accounts of each administration, which cost in manpower and time would be excessive and prohibitive.

MULTICULTURALISM

Question No. 529—**Mr. Mitges:**

1. Since his appointment as Minister of State for Multiculturalism, has the Minister made any effort to confer with the New Brunswick Government's Director of the Cultural Development Branch on matters pertaining to multiculturalism and, if so (a) on what occasions (b) did the Minister discuss the possibility of cooperation between federal and provincial governments relative to promoting (i) policies and programmes of multiculturalism through the education system (ii) third-language training in the public school system?

2. Has the Minister discovered any duplication of effort between provincial and federal multiculturalism programmes and, if so, in what areas?

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): 1. No.

2. No.

[Mr. Abbott.]

Question No. 530—**Mr. Mitges:**

1. Since his appointment as Minister of State for Multiculturalism, has the Minister made any effort to confer with the Newfoundland Government's Director of Cultural Affairs on matters pertaining to multiculturalism and, if so (a) on what occasions (b) did the Minister discuss the possibility of cooperation between federal and provincial governments relative to promoting (i) policies and programmes of multiculturalism through the education system (ii) third-language training in the public school system?

2. Has the Minister discovered any duplication of effort between provincial and federal multiculturalism programmes and, if so, in what areas?

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): 1 and 2. See reply to question No. 529 answered this day.

Question No. 531—**Mr. Mitges:**

1. Since his appointment as Minister of State for Multiculturalism, has the Minister made any effort to confer with the Ontario Government's Director of the Multicultural Development Branch on matters pertaining to multiculturalism and, if so (a) on what occasions (b) did the Minister discuss the possibility of cooperation between federal and provincial governments relative to promoting (i) policies and programmes of multiculturalism through the education system (ii) third-language training in the public school system?

2. Has the Minister discovered any duplication of effort between provincial and federal multiculturalism programmes and, if so, in what areas?

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): 1 and 2. See reply to question No. 529 answered this day.

Question No. 532—**Mr. Mitges:**

1. Since his appointment as Minister of State for Multiculturalism, has the Minister made any effort to confer with the Manitoba Government's Multicultural Coordinator on matters pertaining to multiculturalism and, if so (a) on what occasions (b) did the Minister discuss the possibility of cooperation between federal and provincial governments relative to promoting (i) policies and programmes of multiculturalism through the education system (ii) third-language training in the public school system?

2. Has the Minister discovered any duplication of effort between provincial and federal multiculturalism programmes and, if so, in what areas?

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): 1 and 2. See reply to question No. 529 answered this day.

Question No. 533—**Mr. Mitges:**

1. Since his appointment as Minister of State for Multiculturalism, has the Minister made any effort to confer with the Saskatchewan Government's Multicultural Coordinator on matters pertaining to multiculturalism and, if so (a) on what occasions (b) did the Minister discuss the possibility of cooperation between federal and provincial governments relative to promoting (i) policies and programmes of multiculturalism through the education system (ii) third-language training in the public school system?

2. Has the Minister discovered any duplication of effort between provincial and federal multiculturalism programmes and, if so, in what areas?

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): 1 and 2. See reply to question No. 529 answered this day.

Question No. 534—**Mr. Mitges:**

1. Since his appointment as Minister of State for Multiculturalism, has the Minister made any effort to confer with the Alberta Government's Director of the Cultural Heritage Branch on matters pertaining to multiculturalism and, if so (a) on what occasions (b) did the Minister discuss the possibility of cooperation between federal and provincial governments relative to promoting (i)

policies and programmes of multiculturalism through the education system (ii) third-language training in the public school system?

2. Has the Minister discovered any duplication of effort between provincial and federal multiculturalism programmes and, if so, in what areas?

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): 1 and 2. See reply to question No. 529 answered this day.

STUDY OF MARINE INFORMATION SYSTEMS

Question No. 564—**Mr. Mazankowski:**

1. Did Mr. Roy Illing, administrator of Marine Administration of the Department of Transport, sometime in 1976 commission Mr. Jean Bourguignon, a Montreal-based transportation consultant to make a study of and recommendations for improving the information systems available to shippers and users of shipping and, if so (a) what was the total cost of the study (b) what was the expected date of completion and what was the actual date of completion of the study?

2. Was the executive summary of the study translated and, if so (a) at what cost (b) how many times and, in each case, at what cost (c) by whom and at what charge per word (d) did Mr. Bourguignon offer to translate it himself and for no charge and, if so, for what reason was his offer not accepted?

Hon. Otto E. Lang (Minister of Transport): 1. Yes.

(a) $44,772.91.

(b) July 16, 1976 extended to March 31, 1977; April 1977.

2. Yes.

(a) $653.60.

(b) Once.

(c) Rédaction Olympia—eight cents a word.

(d) Mr. Bourguignon offered to translate the executive summary. The executive summary was already in translation when his offer was received.

GOVERNMENT TAKEOVER OF NORDAIR

Question No. 574—**Mr. Murta:**

1. With reference to the proposed government takeover of Nordair, what is a detailed accounting of the $28.4 million purchase price?

2. What evaluation procedures were undertaken to arrive at the cost of approximately $12 to $13 per share?

3. Is the one million dollars that has been referred to as out-of-pocket expenses included in the $28.4 million purchase price?

4. What is a detailed accounting of these out-of-pocket expenses?

5. Where does the government intend to get the funds for the takeover?

Hon. Otto E. Lang (Minister of Transport): 1. The figure of $28.4 million is composed of the following elements:

	($Millions)
Price to be paid by Air Canada for the purchase of the outstanding shares of Nordair, plus or minus Nordair's after tax earnings or losses for the period commencing June 1, 1978.	$27.4
Air Canada's estimated out-of-pocket expenses.	1.0
	$28.4

2. The valuation methods used by Air Canada to determine a fair and reasonable price per share for all outstanding common stock of Nordair Ltd. at an anticipated takeover date of June 30, 1978 were as follows:

(a) The basic valuation method used was the replacement cost method. Under this method, Nordair was considered as a going-concern with its property and equipment being valued at replacement cost. Furthermore, all intangibles were eliminated and long-term obligations for leased aircraft were recognized. The estimated after tax profit for the first six months of 1978 was added.

(b) Another test was made with a capitalization of earnings method under which the average of actual 1977 earnings results plus budgeted 1978 earnings results was multiplied by a reasonable earnings capitalization factor.

(c) A final test was made with a discounted cash flow method under which future years estimated cash flows and residual values of assets were discounted at various reasonable rates of return.

(d) The value of Nordair shares determined under the foregoing methods was tested with a liquidation valuation. All property and equipment were deemed disposed of at replacement cost with due consideration given to income taxes payable on recapture of capital cost allowance.

(e) The basic valuation method used, supported by the other tests described, indicated a value per share within a narrow range of reasonableness.

(f) External valuation consultants were asked to review in detail Air Canada's valuations. In their opinion, a reasonable basis, appropriate to the purpose and circumstances, and the principles and methods employed were in accordance with generally accepted valuation techniques.

3. The $28.4 million includes an amount of $1 million for out-of-pocket expenses (see 1 above).

4. These represent Air Canada's estimated costs associated with the acquisition of the outstanding shares of Nordair and include provision for:

(a) Fees for evaluators (valuation of assets and shares of Nordair).

(b) Fees and expenses in preparation for and attendance at hearings before the Canadian Transport Commission.

(c) Legal fees.

(d) Dealer fees.

(e) Depository fees (deposit of shares in trust).

(f) Printing costs (printing of offer).

5. It is intended that the purchase transaction be financed without a requirement for new cash by reducing long-term loans owing to the government by Air Canada.

HALIFAX FISHERIES LABORATORY

Question No. 698—**Mr. Forrestall:**

1. Will the $2,000,000 reduction in the Technology Development Programme result in the closure of the Halifax Fisheries Lab and, if so, how many employees will be laid-off or dismissed?

2. Have any private interests expressed to the government their intention to assume the research work presently carried out by the Halifax Fisheries Lab and, if so, which ones?

Order Paper Questions

Mr. Jack Pearsall (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. The Halifax Fisheries Laboratory will not be closed, but selected program reductions will result in the lay-off of 22 employees.

2. No.

AIRCRAFT RADIOS—LANGUAGE REQUIREMENTS

Question No. 749—**Mr. Jones:**

1. Are all pilots required to have an operator's certificate to use air-to-ground radios aboard aircraft?

2. What are the language requirements in order to qualify for Department of Communications certificates needed to operate aircraft radios?

3. What are the transport department policies on language requirements to operate aircraft radios? Are there different policies for different geographical or political areas in Canada and if so, name them.

4. Is it necessary for a pilot to comply with both the Department of Communications and Department of Transport requirements? Does this compliance restrict the areas in which a pilot may fly and if so, name them.

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): I am informed by the Department of Communications and Transport Canada as follows: 1. Yes.

2. There is no provision in the regulations to restrict the issuance of such certificates on the basis of language. Candidates are therefore examined in the official language of their choice. The successful candidates are cautioned in writing that language restrictions for safety purposes apply at certain airports in accordance with the Department of Transport Air Navigation Order Series 1, No. 1, dealing with voice communication.

3. ANO Series I, No. 1, says in part: "... to authorize formally the use of the French language in air-ground communications in the province of Quebec in a manner that is consistent with the progressive introduction of bilingualism into such communications as it is demonstrated that it can be done without prejudice to safety."

4. Yes, a pilot must comply with both the Department of Communications and Transport Canada requirements.

At the present time, a unilingual Francophone pilot is restricted to the province of Quebec in accordance with visual flight rules only and ANO Series I, No. 1, authorizes the use of specific aeradio stations and aerodromes in Quebec.

TORONTO INTERNATIONAL AIRPORT—REVENUE PASSENGERS

Question No. 797—**Mr. Stevens:**

For (a) 1975 (b) 1976 (c) 1977 (d) the first nine months of 1978, by quarter, what was the total number of revenue passengers (i) enplaned (ii) deplaned at the Toronto International Airport, Terminal 1 and Terminal 2?

Hon. Otto E. Lang (Minister of Transport): The table below presents enplaning and deplaning revenue passenger date for Toronto International Airport, terminal 1 and terminal 2, for the years 1975-77 and preliminary data for the first quarter of 1978. Passenger data for subsequent periods are not yet available.

Total Number of Revenue Passengers at Toronto International Airport
(Terminal 1 and 2)
1975—1977 and Year-to-Date 1978

		Mainline Unit Toll			Other Unit Toll			International Chapter			Total		
Year	Terminal	Enplaned	Deplaned	Total	Enplaned	Deplaned	Total	Enplaned	Deplaned	Total	Enplaned	Deplaned	Total
1975	1	1,445,224	1,484,319	2,929,543	7,459	7,457	14,916	552,483	553,397	1,105,880	2,005,166	2,045,173	4,050,339
	2	3,210,721	3,252,329	6,463,050	43,935	40,987	84,922	7,211	7,071	14,282	3,261,867	3,300,387	6,562,254
	Total	4,655,945	4,736,648	9,392,593	51,394	48,444	99,838	559,694	560,468	1,120,162	5,267,033	5,345,560	10,612,593
1976	1	1,578,268	1,616,761	3,195,029	8,942	9,327	18,269	551,024	549,864	1,100,888	2,138,234	2,175,952	4,314,186
	2	3,221,367	3,253,559	6,474,926	100,938	82,824	183,762	5,961	5,271	11,232	3,328,266	3,341,654	6,669,920
	Total	4,799,635	4,870,320	9,669,955	109,880	92,151	202,031	556,985	555,135	1,112,120	5,466,500	5,517,606	10,984,106
1977	1	1,721,241	1,763,089	3,484,330	6,521	6,698	13,219	568,565	562,553	1,131,118	2,296,327	2,332,340	4,628,667
	2	3,302,235	3,313,397	6,615,632	133,177	119,437	252,614	24,072	23,142	47,214	3,459,484	3,455,976	6,915,460
	Total	5,023,476	5,076,486	10,099,962	139,698	126,135	265,833	592,637	585,695	1,178,332	5,755,811	5,788,316	11,544,127
First Quarter 1978	1	404,800	417,400	822,200	1,440	1,518	2,958	169,388	164,820	334,208	575,628	583,738	1,159,366
	2	824,400	831,800	1,656,200	33,851	29,836	63,687	15,494	14,805	30,299	873,745	876,441	1,750,186
	Total	1,229,200	1,249,200	2,478,400	35,291	31,354	66,645	184,882	179,625	364,507	1,449,373	1,460,179	2,909,552

NOTE: Figures provided for international charter services do not include passengers travelling on air carriers operating out of the general aviation area at Toronto.

TORONTO INTERNATIONAL AIRPORT TRAFFIC

Question No. 798—**Mr. Stevens:**

For (a) 1975 (b) 1976 (c) 1977 (d) the first nine months of 1978, by quarter, what was the total number of takeoffs and landings by scheduled aircraft at (i) Toronto International Airport, Terminals 1 and 2 (ii) Montreal International Airport (Dorval) (iii) Montreal International Airport (Mirabel)?

Hon. Otto E. Lang (Minister of Transport): 1. Table 1, below, contains statistics for the years 1975, 1976, 1977 and the first nine months of 1978 on scheduled itinerant air carrier aircraft movements for the requested airports.

Airport	Year	Itinerant Air Carrier Unit Toll Movements	
Toronto	1975	Terminal 1	49,047
		Terminal 2	87,792
		Total	136,839
	1976	Terminal 1	49,795
		Terminal 2	88,466
		Total	138,261
	1977	Terminal 1	48,262
		Terminal 2	87,424
		Total	135,686

[Mr. Forrestall.]

Airport	Year	Itinerant Air Carrier Unit Toll Movements		
	1978	First quarter	Terminal 1	11,579
			Terminal 2	21,940
			Total	33,519
		Second quarter	Terminal 1	13,035
			Terminal 2	20,838
			Total	33,873
		Third quarter	Terminal 1	14,441
			Terminal 2	17,886
			Total	32,327
		Year-to-Date	Terminal 1	39,055
			Terminal 2	60,664
			Total	99,719
Montreal-Dorval	1975			107,097
	1976			86,247
	1977			80,444
	1978	First quarter		18,903
		Second quarter		20,287
		Third quarter		20,044
		Year-to-Date		59,234
Montreal-Mirabel	1975			2,056[1]
	1976			23,923
	1977			22,142
	1978	First quarter		5,675
		Second quarter		5,998
		Third quarter		6,010
		Year-to-Date		17,683

NOTE: Date provided for the first three quarters of 1978 are preliminary
[1] Mirabel began operating on November 29, 1975.

Question No. 799—**Mr. Stevens:**

For (a) 1975 (b) 1976 (c) 1977 (d) the first nine months of 1978, by quarter, what was the total number of takeoffs and landings by private aircraft at (i) Toronto International Airport (ii) Montreal International Airport (Dorval) (iii) Montreal International Airport (Mirabel)?

Hon. Otto E. Lang (Minister of Transport): The table below contains statistics for the years 1975, 1976, 1977 and the first three quarters of 1978 on private itinerant aircraft movements at Toronto International Airport, Montreal International Airport (Dorval) and Mirabel.

Total Number of Private Itinerant Movements

Year	Toronto	Dorval	Mirabel*
1975	52,979	32,432	235
1976	55,605	33,501	3,148
1977	53,485	35,268	2,972
First quarter 1978	10,955	7,742	354
Second quarter 1978	16,184	11,741	567
Third quarter 1978	16,787	12,730	583
Total Year-to-Date	43,926	32,213	1,504

NOTE: Private aircraft movements concern aircraft which are used solely for private purposes and not for hire or compensation. Owners include individuals, groups or business firms.
* Collection of aircraft movement data at Mirabel began in December, 1975

Order Paper Questions

LOANS TO OR INVESTMENTS IN CROWN CORPORATIONS

Question No. 800—**Mr. Stevens**

1. As of (a) March 31, 1976 (b) March 31, 1977 (c) September 30, 1978, how much had the government loaned to, guaranteed or invested in Crown corporations, including departmental corporations, agency corporations, proprietary corporations or any other type of public enterprise entity and, what were the 10 largest corporations or entities in which or to which the government had invested, loaned money or guaranteed obligations?

2. (a) What was the (i) net profit or loss for the 10 largest Crown corporations (ii) aggregate profit or loss for all Crown corporations for each of their fiscal years (b) what is the aggregate percentage of return for the 10 largest Crown corporations on the government's investment therein for each of their fiscal years?

Hon. Jean Chrétien (Minister of Finance): The information sought by the member is "set forth in documents equally accessible" to him. Accordingly, pursuant to paragraph 171(ff) of the Rules of Beauchesne, the Department of Finance answers as follows:

The information is available for fiscal year 1977-78:

(1) from volume I of the Public Accounts of Canada for the year ended March 31, 1978, as detailed in the schedules in section 8, "Assets and Liability Accounts", (schedules and explanatory notes to the schedules to the statement of assets and liabilities). Borrowings by Crown corporations under guarantee or as agents of the government are set out on page 8.90 of that section.

(2) (a) from volume III of the Public Accounts which contains the financial statements of Crown corporations

(b) from volume I of the Public Accounts at table 4.10, on pages 4.8 to 4.16, which sets out the amount invested at March 31, 1978 and the total amount realized in 1977-78.

(From this information the hon. member may readily make his own selection as to which corporations he considers the ten largest whether in sales volume, assets employed, shareholder's equity or government investment, and the return on the government's investment.)

For previous years, see the equivalent tables and volumes of the 1975-76 and 1976-77 Public Accounts.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, if question No. 527 could be made an order for return, that return would be tabled immediately. I take it that we have consent in that regard?

Some hon. Members: Agreed.

[*Text*]

FITNESS AND AMATEUR SPORT CONTRACTS

Question No. 527—**Mr. Halliday:**

1. For the fiscal year (a) 1976-77 (b) 1977-78 (c) 1978 up to October 1, what contracts for professional services were let for studies, surveys and analyses into (i) present or future policies, programmes or information analysis and their efficiency and effectiveness (ii) the examination of the administration or internal operation of the Ministry of State (Fitness and Amateur Sport)?

2. How much was committed on each contract and to whom?

Return tabled.

[*English*]

Mr. Pinard: I would ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Turner): Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): Order please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: The hon. member for Simcoe North (Mr. Rynard)—Health and Welfare—Government contribution to health care program; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Veterans Affairs—Prorata pensions for widows of disabled veterans; the hon. member for Victoria-Haliburton (Mr. Scott)—Administration of Justice—Penalties for vandalism.

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Mr. Pinard: Mr. Speaker, it seems there is unanimous consent to proceed with second reading of Bill C-410 rather than proceeding with Bill C-213.

The Acting Speaker (Mr. Turner): Is it agreed that all orders preceding order No. 210 stand by unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Agreed and so ordered.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I just want to say that we agree that the hon. member be allowed to substitute the bill he wishes to propose in place of the other one that is in his name. In other words, we are willing that Bill C-410 be debated, but that is as far as we go.

* * *

CANADA LABOUR CODE

MEASURE RESPECTING FREEDOM OF ASSOCIATION

Mr. F. Oberle (Prince George-Peace River) moved that Bill C-410, to amend the Canada Labour Code, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, may I first of all thank hon. members in the House, specifically the House leader for the NDP, for accommodating me in allowing the substitution of Bill C-410 for Bill C-213 as listed on the order paper. The hon. member for Winnipeg North Centre (Mr. Knowles) did speak in response to the subject matter of this bill the last time I brought it to the attention of the House, sometime in 1977. He said at that time he would not even extend me the courtesy of thanking me for bringing the matter before the House so it might be debated. I realize it is quite a concession he is making today, therefore, and I thank him heartily for it.

● (1700)

It is not the first time that I have brought this matter before the House, but I have little reason to believe that hon. members will grant the necessary consent today to allow this bill to proceed further, and this will probably not be the last time I will discuss this bill in the House. I am reminded of the hon. member for Winnipeg North Centre who repeatedly rises in this House to talk about matters very dear to his heart. I can certainly make the commitment that I shall debate this matter until such time as more of my colleagues in the House and more people in the areas concerned with industrial relations in our country adopt a more enlightened view so that parliament can act.

My bill in general deals with the rights of individual workers. I refer, of course, to all workers in the country, numbering approximately ten million; but I am more concerned with the members of our labour force who are organized, which is roughly one third of the work force and amounts to 3.2 million men and women. Strangely enough, as one examines this what I call élite group in our work force, one finds that they either work for the government in Crown corporations, where they are compelled to belong to a union, or they work for large corporations. I am referring to the particular corporations which have managed to insulate themselves from the harsh realities of the free market system and which simply pass on the costs of whatever they produce to the consumer. Some of them are offshore consumers and some of them are within our own country. The government's situation, of course, is that if

the cost of labour increases it is simply passed on to the taxpayer. There is no great concern among such employers as to how high the demand for additional wages or additional fringe benefits goes.

I have often asked myself, what is so bad about unions that they must compel members to belong? I know that many members of unions have asked themselves the same question: "Why do I have to be compelled to belong to my union?". I draw my experience from studies which I have made of other labour models throughout the world. I find in looking at our own labour relations model that there are some very serious discrepancies and anomalies.

Having spoken several times on this matter and having brought it forth on other occasions in the House, I have had an opportunity to answer some of the criticisms of the bill that have been voiced. The last time my bill was discussed in the House was in 1977, and at that time hon. members were glad to accept it, with the exception of the hon. member for Winnipeg North Centre who said that he wished to have it disposed of as quickly as possible to get it out of here. I respect the hon. member's views in that regard, but the other hon. members who spoke said it was important that this matter be brought before the House for debate because it is a crucial issue and because in this regard we face a crisis in our country.

There are pressures on many hon. members from their constituents and the unions in this regard, and it is a good thing that this bill is being debated again so that hon. members may air their concerns and the concerns of their constituents and we may take a very serious look at the direction of industrial relations in our country. I am assuming, of course, that some of my misguided friends in my own constituency, who have chosen to misinterpret and misunderstand this bill, as have some members of the NDP, will not, once again, fight me on my position in the next election.

Bill C-410 which I introduced in this House for the first time in 1974 has been deliberately misnamed and misinterpreted by some people. The legislation adopted in the United States, which is similar to what I am proposing, is called the right to work legislation. I would prefer to call my bill freedom of association legislation. I think this title is rather appropriate because of the many things which are being said today about constitutional reform and the need to entrench in the constitution our commitment to certain fundamental democratic principles.

Much is said about the freedom and rights of the individual. The cardinal principle of democracy is freedom of association, individual rights and collective rights. The Prime Minister (Mr. Trudeau) at the present time is encouraging hon. members to give serious consideration to entrenching certain of these rights I have mentioned in the constitution. To what extent, however, does the freedom of the individual have to yield to the collective rights of groups?

The Task Force on Canadian Unity has made certain references in their assessment of these freedoms. The freedoms which they propose to entrench in the constitution are broken down into several categories and are indicated on page 107 of the report. First of all, they say that the right of the individual is paramount. This, of course, is the basis of the political parties represented in this House. The second category embraces the rights of people as individuals within particular groups. The third category covers the collective rights which can be exercised by a group, such as the right of unions to bargain. I have often wondered how far the collective rights of these groups should be allowed to proceed, particularly if they violate the rights or interests of individual Canadians.

The report goes on to discuss the collective rights of groups with a slant toward the right of the Francophone majority in the province of Quebec and the Francophone minorities in other parts of the country to speak their language. I appreciate that collective right and I respect it, but I cannot help but wonder if it could in some instances be taken to the point where a minority language group says, "Look, you are not giving us our way, we don't like you any more, we are going to leave the country". This situation could also apply to unions where they decide, because they are not getting their way at the bargaining table, not only to withdraw their essential service but to opt out of the country, regardless of what that means to the individual rights of Canadians. They say, "We are opting out. We are paralysing the country regardless of what it means to the individual rights of other Canadians. We have that additional power". I wonder just what authority, what forum, will make the final decision on how far these collective rights can be taken.

• (1710)

It is also advantageous to repeat such a debate as this in this House because it gives me an opportunity to answer some of the criticisms levelled against the bill the last time it was debated. I said I based my assessment of the situation on certain models. I have studied particularly the West German model. The criticism has been made that because of the behaviourial attitudes of different cultural backgrounds and different attitudes toward work, one cannot transpose that kind of model on the situation in Canada. If it cannot be transposed on the situation in Canada, can it be transposed on the situation in Great Britain? As you know, Mr. Speaker, many of the principles and traditions we have in Canada are inherited from Great Britain. They were inherited along with the British parliamentary system. Surely it can be said that the average worker in Great Britain has as deep a heritage as has the German worker.

The fact is, however, that the German constitution is somewhat different. It is not an accident that the West German models are somewhat different. Their constitution is only 25 or 27 years old, the most modern constitution in the free world. There are, of course, constitutional guidelines that restrict that particular freedom I have talked about if it offends or injures the freedom of the individual.

The basic principle that is being respected—and this is the crux of the problem in our country—is the freedom of association which my bill intends to restore. Freedom of association, which is one of the great cardinal principles of democracy, is

interpreted differently in West Germany than it is in this country and in Great Britain. The worker is free to associate. As a matter of fact, in West Germany he has to have the opportunity to join a union, which workers in this country do not have and which I say they should have. In Germany, they cannot be compelled to join. The freedom of association is interpreted both ways: they are free to associate but cannot be compelled to associate.

If we are addressing ourselves to fundamental changes in our constitution, that is one of the changes that has to be entrenched—restoration of this cardinal principle of democracy, freedom of choice.

One of the arguments that has traditionally been made and was made by the hon. member for Winnipeg North Centre the last time the bill was debated is to the effect that "Because I am not a Liberal and I do not agree with everything this government does, I should not have to pay taxes." That precisely underlines the argument I have advanced. The union power in this country puts itself on an equal footing with the power of this institution and the power of government. It says, "If I do not agree with what the government is doing, I do not have to pay taxes." At the same time it says: "I have a right to bargain. The right of the worker in an industry is that if he does not like what the union does he should not have to pay dues".

That is what I am saying. If they want to preserve a right that is equal to the institution of parliament, the institution of government, I say that is wrong. It points out precisely the problems we have in this country where the union exercises greater power than we exercise in parliament.

We have an instance at the moment where a union connected with the post office decided to disobey the law of the land. Members of that union will be reprimanded and may well lose their jobs in the public service because they chose to respect the law of the land and ignore a direction from their leadership to stay out when an order was made in this House for them to return to work. This is very dangerous, Mr. Speaker. It borders on anarchy and surely that is something we cannot tolerate in a free and great society such as ours.

The traditional argument is also that unions need protection to safeguard them against exploitation from corporate giants and unscrupulous employers. That is an age-old argument. There is no doubt that there is a need for unions. There was a need for unions when Mr. Justice Rand intervened in the Ford strike and gave unions the right to a closed union shop in the first place.

Times have changed, Mr. Speaker. Technology is light years ahead of the contemporary union structure in our country. We have a very good grip of, and very good control over, the behaviour of unscrupulous businessmen and corporations in this country so that that great fear no longer exists.

What we forgot as we modernized our industrial plant and integrated into it the technology that became available was that we are no longer competitive. We should have modernized as did the countries with whom we compete in world markets.

[Mr. Oberle.]

As they modernized their industrial relations process, so should we.

We are no longer competitive in world markets because of some of the difficulties the unions have created. I am not referring to wages, Mr. Speaker. I agree that some sectors of the economy are underpaid today. Some are overpaid, and traditionally they are always the ones that are unionized and we know that employers simply pass the cost on to the consumer or the taxpayer.

I am saying that because of irresponsible action we have not been able to get our products to market. We have had transportation systems shut down. The post office service has been interrupted. We seem to sit here and accept that it now takes up to ten days for a letter to come from Vancouver, British Columbia to Ottawa, when a few years ago it used to take three or four days.

It is time all that changed, Mr. Speaker. We must modernize our system of dealing with employers and workers and adopt an approach which other countries have found to be beneficial. If we do not, we will go the same route as Great Britain where there is a serious crisis. As we hear in daily news reports, it is impossible even for the Labour government to talk with the unions in a manner which is in the legitimate interest of the country as a whole.

We should not allow ourselves to be forced down this road, Mr. Speaker. Now is time for change. It is time for this bill to be taken to committee, for it to be debated in public, for the public to have their say, for union members to have their say. It is time for that two thirds of our work force to have access to a union and for the small businessmen to enter the debate that is carried on in parliament, in the board rooms of the nation and in the tripartite forum we are trying to establish. All these people have a right to be heard, and that is why I commend this bill to the House.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I just happened to hear the hon. member say this is not a "right to work bill", that it is a "freedom of association bill". I think a rose by any other name would smell exactly the same way. If I were to give this bill a title it would be called "The Sting".

The hon. member talked a lot about freedom—freedom to associate, etc. I wonder where the Tory party labour critic is, the hon. member for Vancouver South (Mr. Fraser). Indeed, where is the whole Tory party? Where have all the Tories gone? It is important for the workers in this country to hear the Conservative party position being put forward by the small entrepreneur from British Columbia, the hon. member for Prince George-Peace River (Mr. Oberle). It is important to hear him put forward this so-called enlightened view of industrial relations in Canada in 1979.

● (1720)

It is nothing but a pile of hogwash! It is "right to work" legislation. Let us call it by its real name, "right to work." Let us also understand that "right to work" has nothing at all to do with creating employment. It has to do with union busting.

That is what the small entrepreneur, the so-called small businessman, this sawmill operator from British Columbia, is really talking about—busting the trade union movement. He wants to deny the workers the right to collective bargaining and the right to the union shop. That is what he is talking about, and that is not new, Mr. Speaker. He is not proposing anything new.

This goes back to 1935 when the Automobile Manufacturers Association got together to fight the Wagner act which gave the workers in the automotive industry the right to collective bargaining and the right to a union shop. He wants to go "forward into the past;" that is what the hon. member wants to do. He does not want to go forward with any new, decisive, dynamic industrial relations proposals; he wants to take us back with his Progressive Conservative party views to 1935.

It seems that the malaise of this right to work, which has now infected 20 southern states in the United States, has moved in to of all places the province of British Columbia. It was in 1975 that their founding meeting was held in Trail, B.C. It was made up of independent contractors and a businessmen's association. Incidentally, Phil Gagliardi, "flying Phil," was a key speaker along with Ralph Purdy. Ralph Purdy was the organizer of the right to work movement in the United States. Mr. Purdy happens to be a great John Bircher. He was there telling Canadian entrepreneurs how to handle the working class in this country.

What does this legislation mean?

Mr. Nystrom: Was Oberle there?

Mr. Rodriguez: I suspect the hon. member was there. As a matter of fact, it might be a conflict of interest for him to grind his axe in this House of Commons on his pet project. But what does this legislation mean? When one strips it of all the verbosity which the hon. member has put forward here this afternoon and, equates his crusade for union busting with the crusade of the hon. member for Winnipeg North Centre (Mr. Knowles) for the poor and pensioned people of this country, it is like comparing Satan with something saintly.

An hon. Member: The holy ghost.

Mr. Rodriguez: But what does it mean? What does it say? It says the corporations will have greater opportunity to put more profit in their pockets. Having torn down the workers' collectives and unions, each employer would then be free to work out an individual pay or wage scale with each worker. Can you imagine that in the work place, Mr. Speaker? Can you imagine each worker working out separately with his employer what he is going to get? Can you see that being healthy for the working environment? Can you see the old British mentality of divide and conquer in all its full glory in effect in the work place? The hon. member calls that modern industrial relations. We had that in the teaching profession in Ontario as far as I can remember. In effect, teachers agreed to move away from that situation because it depressed living and working standards.

What does this legislation mean apart from allowing the corporations, and small entrepreneurs, to put bigger profits in their pockets? It means safety and health rules can be avoided. As each worker becomes concerned about his own job security, he would not complain about environmental security. He would not be concerned about the health hazards in the working place. The situation will be every man for himself. Whoever kisses the boss' toes the most are the ones whose jobs will be protected. That is what the hon. member calls modern industrial relations. That is what the Progressive Conservative party is offering to the working class of Canada as an alternative. The hon. member should be ashamed of himself.

Some hon. Members: Shame!

Mr. Rodriguez: We experienced that in the Sudbury basin, Mr. Speaker. We all remember what it was like before the unions came into the Sudbury basin in 1943. We remember when there was no union. We had a right to work then and all the workers would be lined up. The foreman would come out and he would say, "Today, you have a job". Then to the next person he said, "You have a job", and so on. He would then say, "The rest of you can go home". To keep their jobs men would allow the bosses to sleep with their wives. The men had to bring chickens as well. There was a chicken in every foreman's pot, but none in the worker's pot.

Mr. Nystrom: That is Oberle's policy. It is PC policy.

Mr. Rodriguez: That is the Progressive Conservatives for you. Is that their charter for industrial relations? I think it is shameful, Mr. Speaker, totally shameful.

Mr. Nystrom: No wonder the people of Canada are laughing.

Mr. Rodriguez: It is the unified, collective strength in the working place that has improved health and safety conditions. Anyone who knows anything about collective bargaining knows of the strides and improvements which have been made because workers have collectively bargained to improve the environment in the working place.

What else does this legislation do? This bill would give a totally free hand to the employer in the matter of hiring and firing. The potential for abuse is evident. Once the freedom is there it is abused. We see it in the banks today. I know banks that have hired flashy young men, posted them to a branch, and their job is to find out which young women in their branch are organizing a union. A man comes in as an assistant accountant. He takes out the young women and wines and dines them in an effort to find out who is organizing the union. The minute this information is secured these people are fired. The record of the Labour Relations Board in its various judgments against the Canadian Imperial Bank of Commerce gives examples. But like the hon. member for Prince George-Peace River, they all believe in the right to work and will do anything to prevent the organization of collectives in the work place.

What else would this bill do? It would depress the standard of living of the working class in this country. Anyone who knows the history of the trade union movement in Canada knows that it has done more as a single force to improve the standard of living and the quality of life for the workers of this country. I say again that anyone who knows anything about the trade union movement knows that that has been so. Employers have not been willing to improve these things. Lives have been lost in the process of trying to improve the work place and the workers' standard of living. For example, in northern Ontario people in the bush have lost their lives when organizing the woodworkers unions. We know it from the strikes and the sacrifices that have been made by workers as they fight, not to get from generous employers what they feel they should get, but to get what is their right to live on a decent wage in order to provide for their families some dignity. What else does this bill do? It undermines the democratic process. A union is a very democratic organization.

● (1730)

Some hon. Members: Oh!

Mr. Rodriguez: They vote. If the majority of workers vote to recognize a certain union as representing them, the majority wins, and you cannot have the minority going off and doing its own thing. Oh, they would love to have all the benefits of the union. The hon. member's bill would allow this. They would get the increases in pay won through collective bargaining, they would get the benefits of environmental protection won through collective bargaining, they would get the increased rates. But the hon. member does not want them to pay any union dues for these. The second clause would allow them to get all the benefits without paying a nickel. Mr. Speaker, that is contrary to the free enterprise system, the system which the hon. member advocates. He is flying in the face of the very system he idolizes.

Of course, we must not forget that these Conservative entrepreneurs want all the tax concessions. They want everything for nothing. They want socialism for the rich, and free enterprise for the poor. But it seems to us that if you get benefits because of the collective bargaining process, the minority, which does not belong to the union, should make the same contribution.

Mr. Nystrom: And make the same sacrifices.

Mr. Rodriguez: And accept the sacrifices, of course—loss of pay during strikes, and so on. They cannot just take all the goodies and not pay one brass nickel. Can the hon. member not get that basic concept into his head—that we live in a democratic society? I did not vote for those jokers who sit over there in the government, but that does not give me the right to say I will go away on my own, and do my own thing, or form a shadow cabinet as Khomeini has just done. He's nuts. He has got to be nuts.

What else does this bill do? It flies in the face of the Rand formula which has been accepted in this country. I might point out that in accordance with this formula a worker is not bound to belong to a union as long as he pays the equivalent of the union dues to the union on the principle that he is getting the benefits which the majority have worked out in collective bargaining. This allows people who have certain religious orientation, or particular concepts of behaviour, to follow the dictates of their conscience.

So called "right to work" legislation is in effect in 20 states of the U.S., all of them in the south.

Mr. Symes: George Wallace, Spiro Agnew, Barry Goldwater.

Mr. Rodriguez: I cannot resist pointing out that the State of Arkansas is one of the states which has enacted this right to work legislation, better known in some circles as the Taft-Hartley Act. I just want to read a quotation at this point, because these days when the Pope flies to Latin America and we hear the church speaking out for human causes I think it is only appropriate to read what the Bishop of Arkansas had to say on the matter. The Most Reverend Andrew MacDonald, Bishop of the Catholic Diocese of Little Rock, Arkansas, had this to say about the "right to work". In his view the very title "right to work" or "freedom of association" is deceptive. This is what he said:

> Such laws do not provide jobs or fair wages, they merely prevent workers from building strong or stable unions. On that score we judge the right to work law to be morally reprehensible at its very core.

The hon. member for Prince George-Peace River—I read all these write-ups by people like Fotheringham who are supposed to know all about these things, and they all say the hon. member for Prince George-Peace River is touted to be a cabinet minister.

Mr. Nystrom: My God!

Mr. Rodriguez: Possibly the minister of labour. Here is this very vocal backbencher in the regressive Conservative party, powerful in his caucus. He has a lot of allies—the hon. member for High Park-Humber Valley (Mr. Jelinek), the hon. member for Winnipeg South Centre (Mr. McKenzie). They are among the louder voices in the regressive Conservative party and they are the ones who are going to formulate labour policy in the Conservative party should that party form a government. I shudder to think of the consequence. If this is the kind of thinking that motivates them, we shall be facing continuous labour disruption in the country.

I say they are just as anti-labour as the Liberal government has shown itself to be. We remember how they condemned the Conservatives for advocating wage and price controls, and then introduced them. But they are not prepared to take on the powerful giants among the multinational corporations; they are not prepared to say to them, "Roll back your price increases." Oh, no! Instead they say to the pulp and paper companies, "We are going to give you $250 million more, even though your profits have been spectacular." Now the Liberal government is saying there is a possibility of bringing back wage controls. Look at Bill C-22 which is shortly to come before the House. I say that the thoughts expressed by the hon.

member for Prince George-Peace River find many a virgin listener over there on the Liberal side. The proposition he is advancing finds sensitive listeners on the other side of the House, as can be deduced from the unemployment insurance bill which really cuts at the very base of the workers' fund.

If I were allowed to go beyond 20 minutes I would speak until this bill was killed because I think it is dangerous. It shows the Conservative party's hand; it shows how they would handle labour relations. I looked to see if the "Red Tories" were here today. I looked for the hon. member for Egmont (Mr. MacDonald). I looked to see if the labour spokesman, the hon. member for Vancouver South (Mr. Fraser), was here.

• (1740)

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired.

[*Translation*]

Mr. Raymond Dupont (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, like the hon. member for Prince George-Peace River (Mr. Oberle) and the hon. member for Nickel Belt (Mr. Rodriguez), it gives me great pleasure to participate in this debate on Bill C-410. Incidentally, until the moment when the hon. member started talking about and deferring from the main issue, I must admit it was a good speech.

Mr. Speaker, I would like to point out to the hon. member for Prince George-Peace River that following the presentation of his bill it might be worth while to do an historical account and recall certain things about the Department of Labour. When the former minister of labour (Mr. Munro) introduced his 14-point program on employer-employee labour relations we ended up adopting a bill called Bill C-8. All that was intended, of course, to promote good understanding in labour-management relationships.

When the hon. member for Prince George-Peace River says there were strikes, it is quite obvious that there were strikes and there will be others. What is really important is strictly to have a strong, responsible and respected labour movement both on the labour side and on the management side. And then you can be sure of one thing, labour-management relations will certainly take a big step for employers as well as employees and the whole country.

Mr. Speaker, I am convinced the hon. member for Prince George-Peace River does not know anything about labour groups. Having myself militated actively in the labour movement up until the early seventies, I had the opportunity to see people doing labour organization work and being forced to promote the labour movement secretly. Imagine that in the late seventies. So, if the hon. member knew about labour relations and really wanted better production and better agreement between the two parties, quite obviously he would have a much more open mind. Another really important point, Mr. Speaker, is that when in a bargaining unit you have people who are dissatisfied, under the Labour Code, you can disaffiliate between the thirtieth and the sixtieth day ending the collective agreement. Then, whatever the bargaining units, you can do it. I cannot understand the position of the hon. member on something like the Rand formula where when you have the majority to get certified, participation should be equal for everyone. In fact, everyone enjoys the same privileges and the same benefits.

When you try to defend the employer, there is an extremely important point to remember, and that is that when a collective agreement is signed for one, two or three years, you are ensured almost automatically of having peace with the union, which means that you can plan your productivity for the next three years in the knowledge that both sides will be protected. Once again, this is to the advantage of the employer as well as the employee. But as I understand it, the hon. member for Prince George-Peace River does not seem to take these points into consideration. It is not for nothing that he has left the House and stays in the lobby. Mr. Speaker, these are some of the points that I wanted to make—

An hon. Member: He is afraid to face the truth!

Mr. Dupont: But I would like to say, like my colleague, that we must really face the truth. In this regard, we must not forget that we are in 1979 and that this is extremely important for the whole Canadian economy. These are the few points that I wanted to make, Mr. Speaker.

In closing, I would like to say a few words about the Wood labour relations team. This group is not a new one. It was established in 1960. It made a very comprehensive and specialized study of this issue and its members agreed with what is now provided by the Canadian Labour Code. I therefore fail to understand how, 13 years later, a Progressive Conservative member, as the hon. member for Nickel Belt said, can have the audacity to suggest such changes.

An hon. Member: A reactionary Tory!

Mr. Dupont: I can see that. He is a reactionary Tory.

Mr. Speaker, I thank you for having allowed me to speak on this issue and I hope that a bill of this type will never be allowed to pass.

[*English*]

Mr. Bob Brisco (Kootenay West): Mr. Speaker, for the record it should be stated that this is a private members' hour. That point obviously and patently was overlooked by the hon. member for Nickel Belt (Mr. Rodriguez). As is customary with the hon. member for Nickel Belt, he tends to run to excess. He tends to exaggerate. He tends to wax eloquent histrionically. He fails completely to mention that a year ago in this House a Liberal member—I may be incorrect in saying it was the hon. member for Wellington (Mr. Maine), but if my memory serves me correctly it was the hon. member for Wellington—introduced a similar private members' bill. It

should be said for the record that members on both sides of the House of all parties spoke against that bill. Let that clearly be understood, just as I am also speaking against this bill.

Mr. Symes: Where does the Tory party stand?

Mr. Brisco: The hon. member for Sault Ste. Marie (Mr. Symes) intervenes and asks where the Tory party stands. It is patently obvious to me that the hon. member does not know the purpose of the private members' hour. The purpose of the private members' hour is the expression of the private concerns of individual members. As long as we have a parliamentary system I think the provision of private members' hours should prevail. If the hon. member does not like it, why does he not bring in a bill to do away with private members' hours? Otherwise, let each individual member express his concern, just as I am expressing mine now.

Mr. Oberle: Hear, hear!

Mr. Brisco: Let us get back to the title of this bill. It should be called right to work legislation. I, and I am sure many members of my party, are opposed to it for a very basic reason, and that is that it would create nothing but confrontation between employer and employee. I agree that there are many things to be desired of the union movement. One of the things I find most irksome is the closed shop. Valued, experienced and skilled workmen in my riding have been denied the opportunity to work at jobs down the street from their residences because of the closed shop constraint. One of the worst offenders was the Rock and Tunnel Workers Union No. 1, which never even bothered to reply to my telephone calls or letters.

Finally, I asked Bill King, then the minister of labour of British Columbia, what was going on with that union. I asked why the union did not reply to its mail or take into consideration the employment rate in Kootenay West. The minister of labour of British Columbia replied to me that he agreed with me, that he wished he could help me, that he was sorry but that he could not interfere. There was an abuse of the union system.

On the other side of the coin, let us consider the example in the United States which is often quoted and abused. There is right to work legislation in 20 states. What are those states? They are nearly all agricultural, they are not industrial. There are five states in the United States which, since 1947, have repealed the right to work legislation. We find three things in these states in the U.S. First, they are principally agricultural; they are less industrialized, less unionized, and they pay the lowest wages. One can accurately state that these three factors were important factors in shaping the political climate since those laws were introduced.

● (1750)

There is no need for me to continue speaking on this subject. I could make a 20-minute speech and I could make a one-hour speech. I simply want to go on record as saying that there are many other ways in which we can accomplish an understanding between union and management, and those ways are by negotiation. I go on record as saying that there are many ills and many irresponsible actions carried out by both the employers and the employees, by unions and by management. I saw a classic example of it in downtown Trail where some elements of the labour movement, when we had a civic workers' strike, decided that that was the right time to scatter garbage all over the main streets of Trail.

That day the announcer said, "Folks, that big labour demonstration in downtown Trail is over now, but some of the irresponsible elements have scattered garbage all over the streets," or something to that effect. That strike had been going on for months. Do you know what happened? That was the only statement on the radio, but how stupid those people looked, how irresponsible they appeared when the citizens of Trail, the children, the high school students, and the housewives and the workers, came down and cleaned the streets of Trail without being solicited to do so. They were showing to the people of B.C. and the rest of Canada that they are proud of their community and that no irresponsible idiots will label them as being people who do not care about their community. The streets were cleaner than they had been for months.

You can look at the other side of the coin too. I know there is another member who wishes to speak on this subject and I would like to give him that opportunity, so, although I would like to continue speaking on this point, I will bow to my friend across the way.

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I would like to thank my colleague for giving me five minutes in which to speak. I respect that and thank him very much for it.

[*Translation*]

Mr. Speaker, when reading Bill C-410 one is inclined to wonder in which society some people want to live, either today's or tomorrow's. When we look at the ruling made by Mr. Justice Rand, in 1947 I believe, saying that anyone who benefits from the bargaining of a collective agreement should normally, through union fees, also share the cost of such bargaining, we can be concerned by the fact that the Progressive Conservative party, if it still respects the courts, and I believe it still does, is questioning that principle 17 or 13 years later, even though a very respected judge made that ruling. Did the hon. member realize what would happen tomorrow morning if his bill was passed? It is absolutely irrealistic, you must be irresponsible to take away the rights of several hundred thousand workers who fought hard to create unions. And thousands of workers would require an improvement of the labour legislation and this is what we did recently in amending the Canadian Labour Code and extending unionization in radio stations and banks. If you read the bill you will realize that it would bring us back 20 to 30 years. It is impossible to understand that a party that pretends to govern this country some day could have such restrictive views. It is impossible to explain.

Before me a member of the same party spoke against that bill. I appreciate this and I hope that some day after July he will become the opposition critic on issues concerning the

Department of Labour. I think that he has at least an excellent judgment. Unfortunately I cannot admit, Mr. Speaker, that someone who decides in 1979 to prevent a union from negotiating freely with an employer when a group of employees got together to form a bargaining unit and decide together that there will a check-off once a month, once a week or twice a month, I cannot understand that someone in this House can believe that such a legislation will deal with labour problems in our country! I think that those people never go out of this House, do not take the trouble to go and see the problems workers are facing to exercise their rights, the problems encountered by some unions to be accepted by employers. The hon. member tells us: We want to correct abuses. Yes, Mr. Speaker, I recognize that there are abuses in the world of labour, but it is not because of one or two cases of abuse that we should ignore those made by employers. You know the maxim that says: When your boss is right, he is right. When your boss is wrong, he is still right. And for those who are not organized, sometimes it is a real problem. It is far from being fair, Mr. Speaker.

We should get together, sometimes, to get justice and, in our democratic system, a group of employees forming a union certified by a labour relations board can negotiate that kind of agreement. I know that the bill introduced a few months ago said explicitly that nothing in this part, and I now quote section 161, Mr. Speaker:

161. Nothing in this part prohibits the parties to a collective agreement from including in the collective agreement a provision

(*a*) requiring, as a condition of employment, membership in a specified trade union;

—that is legal. The Canadian parliament voted for that, Mr. Speaker. Today attempts are being made to take away those rights, rights that were dearly paid for by the unions; to my mind it would be illogical and even immoral, Mr. Speaker, to think that some day, in 1979, those rights might be taken away.

Secondly, Mr. Speaker, section 161 also says, and I continue my quotation:

(*b*) granting a preference of employment to members of a specified trade union.

There again, Mr. Speaker, it was agreed, in a democratic country, through a majority of the House, to allow an agreement between employees and employers, and the particular type of agreement they can reach was specified. And to those who fear that unions might become too powerful, I say this: Go and see what goes on in Germany: the unions are far more powerful than they are here, but they are also respected much more; and being respected much more, they also have greater respect for others, Mr. Speaker.

[*English*]

The Acting Speaker (Mr. Turner): Order, please. The hour provided for the consideration of private members' business has now expired.

Concurrence in Committee Report

It being six o'clock, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

ROUTINE PROCEEDINGS

[*English*]

JUSTICE AND LEGAL AFFAIRS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

The House resumed consideration of the motion (Mr. McGrath) that the second report of the Standing Committee on Justice and Legal Affairs, presented to the House on Thursday, December 21, 1978, be concurred in.

Mr. Erik Nielsen (Yukon): Mr. Speaker, the motion moved by the committee, the one we are debating now, appears in the minutes of proceedings and evidence of the Standing Committee on Justice and Legal Affairs for December 21, 1978. As reported at page 8:8, it reads as follows:

Mr. Lawrence proposed to move—That the committee report that it is dealing with the subject matter of Bill C-204 in conformity with the reference to it by the House, and that the committee request the House to amplify and enlarge its said reference, due to certain evidence presented to the committee, so that incarceration of children and the penal system in general be also included in the committee's terms of reference.

That was a committee which had under study a bill of rights for children, and that is the motion which the government today attempted to stonewall with the half-hearted and rather half-baked arguments of the deputy House leader. Let there be no mistake about it. The government did not like the motion, and it tried to get it out of the way with a procedural argument which failed. It resisted the motion. It did not want it to pass. When the Chair ruled that the motion indeed had substance and was procedurally correct, as usual the government shifted its position, as indicated in the speech of the Solicitor General (Mr. Blais) when he said, as the first speaker on the government side, that the government intended to support the motion. But that is typical of the attitude across the way.

I want to speak for a few moments about the committee system. As the hon. member for St. John's East (Mr. McGrath) put it, the motion really is a debate on the committee system itself. It is a revolt, albeit a revolt of the minority, the opposition minority, and a revolt which will be put down quite easily by the government majority on the other side of the House, as is normally the case in committees where the government enjoys a majority in all standing committees. That is not new either. This is not the first time I have spoken of the inefficiencies of the committee system in this House. It is not

going to work unless there is a permanent reference with broad terms to these committees whereby they have some freedom to examine matters that they, in their discretion, should decide require examination.

● (2010)

Even when legitimate matters come before the House, such as earlier in this session, I believe it was, when the hon. member for Nickel Belt (Mr. Rodriguez) raised a question of privilege, and it was a substantive question of privilege concerning the activities of the security service, they are not disposed of satisfactorily. The same thing happened to the hon. member for Northumberland-Durham (Mr. Lawrence) just before Christmas. In the case of the hon. member for Nickel Belt it involved a matter of his private life being invaded and communications being intercepted. In the case of the hon. member for Northumberland-Durham it was a matter of that hon. member being misled by a minister of Crown.

In the case of the hon. member for Nickel Belt the Speaker found that he did, indeed, have a prima facie question of privilege. In the case of the hon. member for Northumberland-Durham, the Speaker again found the same thing, and it remained only for the government majority to overrule the Speaker's decision, which hon. members over there did, preventing a parliamentary committee from examining two very legitimate areas which the Speaker in his good judgment found deserving of inquiry.

Let me give you another example, and there was a debate on this matter last November in this chamber. Since 1976 there has been only one meeting of the Standing Committee on Procedure and Organization, and that one meeting was called in order to elect a chairman. The government has refused to allow that committee to meet, despite the real need for reform of the rules of the House in so far as they are applicable to committees. There have also been a number of procedural difficulties which the Speaker has said, in ruling after ruling, should be studied by this committee, but the government refuses to constitute it.

I often think the impression is left in the minds of those who read *Hansard* and watch the proceedings here that members of the opposition have unlimited opportunity to examine contentious matters in committee. The truth is that committees only get what the government decides to give them and, even then, they are circumscribed with suffocating rules and stifling government committees in their examination.

An hon. Member: You are hard done by.

Mr. Nielsen: I note the presence of the chairman of the Standing Committee on Northern Pipelines. Let me just divert for a moment and tell him about his committee. He knows very well what the terms of reference are for that committee, a committee set up at the instigation of the opposition for the purpose of overseeing the activities of the government and, of the pipeline agency regarding the building of the biggest construction project ever to be undertaken in the world, involving $10 billion, a project that is probably now worth something in the order of $14 billion to $15 billion.

[Mr. Nielsen.]

On the first and second occasions on which we met I asked question after question about salaries being paid to officials of the agency, and their duties. I asked questions concerning meetings which the agency was obliged to have with its counterparts in the provincial and territorial jurisdictions.

I have now received a copy of a letter written by the commissioner of the pipeline agency, amounting to five pages, telling me why he cannot answer these questions. He cannot tell me what salaries these people in the agency are drawing, and he cannot tell me exactly how many dollars are being spent. That was precisely why this monitoring agency was set up by virtue of an amendment to our Standing Orders. Already a brand new committee of this House of Commons, in its infancy is being stonewalled in the usual fashion by an expert in the art of stonewalling, the commissioner of the pipeline agency. He used to be a member of this government and, before that, a very experienced bureaucrat of the Liberal government. That represents the usefulness of committees.

We thought we were making real progress in setting up that committee, but it is not worth the order it is written on in view of this response. We know how much the governor of the Bank of Canada is making, $75,000 a year. We know how much the chairman of the CTC is making, $50,000 a year. We know the salaries of the heads of all these agencies, but are we to know the salary of the commissioner of the pipeline agency? Not on your life are we going to know his salary, or the salaries of his top officials, because he says it is against government policy to release this information. That is an example of the open, honest, forthright government hon. members over there want to have the Canadian public believe they are, but I say that is rubbish. That committee obviously is not going to be able to do its work because it is being stonewalled.

Let me give you another example. The Standing Committee on Regulations and Other Statutory Instruments reported, as recently as April 13, 1978, that the increase in postal rates by order in council had dubious legality. The House concurred in that report on April 19. The government chose to ignore the report completely, refusing to bring legislation into the House which would have legalized that increase in postal rates. So much for the effectiveness of committees.

I can recall a report of a few years ago by the Standing Committee on Indian Affairs and Northern Development. Again this was a unanimous report, with concurrence moved by the hon. member for Athabasca (Mr. Yewchuk). That hon. member still sits here. Nothing was done as a result of that unanimous report.

I had high hopes for this report because we took a non-partisan approach to a national problem of crisis proportions. I am not one of those who have been critical of the penitentiary services, or of the ministry of the Solicitor General for what has been done. Indeed, some of the recommendations have been implemented. My grievance, and it is shared unanimously by all members of that subcommittee on the penitentiary system, is not in connection with what the department of the Solicitor General has done, but with what it has not done. We unanimously agreed, Liberals, Conservatives, members of the

NDP and the Social Credit party, that this report ought to be taken as a package to be effective. Its core recommendations have been completely ignored.

If one reads the most recent progress report, as it is called, of the 65 recommendations in the report to parliament by the subcommittee on the penitentiary system in Canada, published in January, 1979, one will arrive at the conclusion, particularly in respect of recommendation No. 26 of which the minister seems to be so proud, that all the minister is doing is making excuses. The hub of the recommendations concerned the setting up of an independent advisory board separate from the service. The minister said a flat no to the suggestion and it was rejected. He did not say maybe or that he would examine it, he just said no. That would not have been the reply of his predecessor who had a more humane understanding and feeling for what we were doing.

● (2020)

With respect to our recommendation that a prison industries corporation be set up which would compete in the open market with products produced by labour and paid standard labour rates within the system, a system which is working so admirably in other countries of the world, the minister said no. He did not say maybe. Again, that recommendation met a more humane reception from his predecessor.

We unanimously believed on that committee that those two recommendations were central to the issue. We were also unanimous in the belief that one of the main ills of the system was the correctional personnel themselves, and that the quickest way to cure the ills which existed with respect to that one third segment of the civil service in the system was to create a force entirely independent of the public service which would be structured and administered along the same line as the RCMP.

The minister in his response today said that that would not work and that he could not believe that the committee would intend to deprive the members in the service of a decade of unionism. That is precisely why the recommendation was made. It was not made to deprive them of any union benefits but to get them away from the effect of unionism on the service itself, and to replace it with something else. That something else is a system which is working admirably well in the RCMP. The members of that force are not in a union. They do not belong to the PSAC, but they have a system of employee representation which is very effective. The same matters which are considered by the PSAC with respect to personnel in the penitentiary system are effectively dealt with by a system in the RCMP which is not part of the PSAC. That is precisely one of the reasons why that recommendation was made.

We also recommended that the institutions should be smaller. I know that there are other hon. members who will deal with that matter. I was greatly disappointed when I found that the minister had disregarded that recommendation, because the committee considered it a central issue. The minister said—and it can be found in his report and the speech he made today—that he could find no evidence that smaller institutions would be more effective. I do not think that he visited Penetanguishene.

Another one of our recommendations was that psychiatric units within the system be separate and put under the Department of National Health and Welfare. That was also rejected. The core recommendations we made have been rejected. I can tell the minister, and I am sure that my colleagues on the committee will agree, that without those core recommendations there is not a hope of effective reform in the system. I can tell him also, and I believe that it was a general consensus among committee members, that the reason for the unrest which had reached a peak when the committee commenced its examinations of the penitentiary system would again surface. The unrest ceased because 9,400 inmates knew that something was being done about conditions inside these institutions and that there was a sincere committee investigating these conditions.

What we got, and I say this to the minister without being partisan, is what the inmates in these institutions call word games, in response to our recommendations. That is what this progress report is, particularly when one looks at the progress that is set forth within it relative to recommendation 26. Word games are not enough. The minister and his officials have been warned that unless there is meaningful reform the same ills which plagued the system and the institutions, for example, the hostage takings, the violence and the riots, will reoccur. That warning was sounded and, indeed, such events have begun to happen again. Dorchester was the most recent scene of unrest.

I see the parliamentary secretary shaking his head. It was the most recent one.

Mr. Young: That is not what I was shaking my head about. That was an irresponsible suggestion.

Mr. Nielsen: It is not an irresponsible suggestion to suggest that unless something is done in a meaningful way about the adoption of the package of these recommendations we will be back at square one. We all believed that this is what would happen when we submitted the report. Indeed, I believe that the predecessor to the present Solicitor General believed it as well, but we on this side cannot talk to the present Solicitor General.

Mr. Baker (Grenville-Carleton): Nor can they on that side.

Mr. Nielsen: I do not want to lower this debate to a partisan level, because I am really concerned about the adoption of these recommendations. Again, the chairman of the Standing Committee on Northern Pipelines laughs in a cynical fashion. If he would consult with the hon. members for Vancouver East (Mr. Lee), Windsor-Walkerville (Mr. MacGuigan), Toronto-Lakeshore (Mr. Robinson), New Westminster (Mr. Leggatt) and the other members with whom I sat on that committe, he would find that he is quite wrong about my approach to the work of this subcommittee. I am sincere when I say—

Concurrence in Committee Report

Mr. Deputy Speaker: Order, please. I must interrupt the hon. member because, like other hon. members, he has agreed to limit the speeches to 20 minutes, unless he has the consent of the House to continue.

Some hon. Members: Agreed.

Mr. Nielsen: Mr. Speaker, I suggested the limit and I intend to follow it.

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I am pleased to have the opportunity to speak in this debate and to second the comments made by my colleagues on the Standing Committee on Justice and Legal Affairs.

I would like to begin with a few words about relevance because I do not have quite the same confidence as my colleague, the hon. member for New Westminster (Mr. Leggatt), that this matter has been finally settled. The Speaker has left it a little bit over our heads, although I suspect that it will not be raised again. I want to comment briefly because, though there was no debate at the committee meeting on this motion as to its admissibility, there was a very extended debate on previous motions. In fact we filled issue No. 8 of the standing committee proceedings dealing only with the motions on this point.

I ruled out of order one motion by the hon. member for New Westminster and one motion by the hon. member for St. John's East (Mr. McGrath). There was another motion by the hon. member for Northumberland-Durham (Mr. Lawrence) which was withdrawn. Finally, we came to this motion. Perhaps it was by way of exhaustion, but certainly it was as a result of the narrowing in each case of what was being attempted to be done that it was generally found to be acceptable by other members of the committee.

Of course, there is what I would call the subterranean relevance, and I do not use this term pejoratively with respect to the hon. member for St. John's East. This point was illustrated by him when he talked about the deep feeling in the committee that there was not much point in having any reference if nothing was being done about the previous one. This is the kind of thing which very much occupies the minds and feelings of members of parliament in committees. I believe there are several reasons why the motion is in order if that question should come up again.

● (2030)

One thought which struck me at the time, and it strikes me again now, was that the motion gives priority of place and puts most stress on the question that is already before the commitee—the question of the rights of children. In placing first the question of the incarceration of children and then in talking about the penal system, it again puts children before adults.

More important than that, there is a continuity in concept and in needs in the whole notion of incarceration. It is very difficult to draw a line. In our viewings of the penitentiaries we found, for instance, on at least one occasion a prisoner who had been in federal penitentiary at age 16. As the hon. member for Vancouver-Kingsway (Mrs. Holt) said, we had been having great difficulty with the reference on children's rights in finding out exactly where the age of a child, as encompassed by that subject matter and by the needs of the situation, could be drawn. We saw the matter in continuity and it was for this reason, among others, that we felt the motion was in order.

I think we would all acknowledge the sentiments that were expressed at that time by the hon. member for Northumberland-Durham when he said, as reported at page 33 of volume No. 8 of the report of the proceedings of the committee:

> The purpose, quite frankly is to enlarge the terms of reference so that we can talk about penitentiaries and the penal system in general and not just the penal system as it refers to the incarceration of children.

That was certainly the motivation of the members of the committee and it would be folly to deny it here. But it is not that which is incorporated in the words of the motion, and I think the motion as formally presented is in order.

Having made that case for relevance, I should like to do what others who have spoken in the debate have done—disregard relevance entirely and speak on the aspect of this problem which the Solicitor General (Mr. Blais) devoted all of his time to, and that is the penitentiary system. I would say that the penitentiary system has been improving steadily in Canada since the report of the subcommittee in June, 1977. Although it has been improving steadily it has been at a very disappointing pace, and with very disappointing limitations.

I think we would not be having a debate if it were only a question of the pace of implementation. We all know, as politicians, that things usually take longer than we would wish, and sometimes longer than seems possible. What we are concerned about are the limitations which the Solicitor General and the penitentiary service seem to impose on the recommendations we made. Because of the time I have, I am only going to comment on two kinds of questions. One of those has to do with the size of penitentiaries and the other has to do with recommendation No. 26, and, in particular, the comments of the Solicitor General about that and his apparent understanding of it.

First of all, with respect to the question of the larger size of institutions which the government has recently announced, the Solicitor General said this afternoon that there was no solid evidence that smaller-sized institutions would do more for prisoners. I think we should be frank, Mr. Speaker, and admit there is a certain skepticism on the part of listeners that a doctrine which had been accepted up to that point by the whole penitentiary service in Canada should be questioned and discarded at a time when there were perhaps financial pressures which caused the change. If the argument were put purely in terms of the government's restraint program it would be a little easier, but when it is given this veneer of rationalization it is perhaps not quite so easy to accept, and it leaves us with a somewhat uneasy feeling.

In the press conference which he gave on this subject, and presumably also reflecting the views of the Solicitor General,

the commissioner of corrections, Mr. Yeomans, is reported by the *Globe and Mail* on January 1, 1979, as having said:

> Not one of those studies was based on any empirical data—

He said that of the earlier studies on which we relied, especially the famous Mohr report which was the foundation of our recommendation.

He went on to say:

> Every one of those was an emotional study . . . There isn't any evidence anywhere to support 200-man institutions.

Later the article continued:

> Mr. Yeomans says studies this year by engineers and accountants found that the cost of running the smaller prisons, which were to be built over the next five years, would be 'enormously higher' than for larger ones.
>
> Furthermore, he says, a sociological study of two medium-security prisons—a new one at Mission, B.C., that holds fewer than 200 men, and an older one at Warkworth in Ontario that holds 450—found no substantial difference.
>
> 'In fact, the advantage if any was slightly on the side of Warkworth because you could offer a greater variety of programs in the larger institutions.'

It would be very interesting for us to have those studies. I would invite the Solicitor General to allow the committee to see these documents so that we could see for ourselves whether the lack of solid evidence he refers to as the basis for our recommendation might also extend perhaps to his decision. While I am inviting him today to table that document so that we can see it, perhaps he would also let us see Dr. Boyd's report on the application of social therapy to institutions in Canada.

This is an especially important matter in the context of the size of institutions because if social therapy were to work, prisons would have to be built in the form of 30-person units, perhaps, which are entirely self-contained for every purpose—for work, recreation, and everything else. The system could not operate in any other way. If that were to be the future course of the penitentiary system we should obviously know that as soon as possible, especially before we build any more expensive institutions. It is very important that we on the standing committee see this document as early as possible, as well as the documents on which the Solicitor General is relying for the change in policy that he has made.

Mr. Beaudoin: Good, good.

Mr. MacGuigan: Perhaps it might be thought that there are no really hard monetary consequences attaching to the decision on size except favourable ones. I might point out that in the package of announcements the Solicitor General made about the size of institutions, he announced one which was very surprising to members of the committee, that is, that the Kingston penitentiary would be restored for business and that Millhaven, which until now had been the maximum security institution in Ontario, would be downgraded to a medium security institution. Perhaps he might consider inviting Monica Dickens, who is the great great grand-niece of Charles Dickens, who was there for the opening in 1835, to attend the reopening in 1980 or 1981 of the new Kingston penitentiary. The cost is to be $33 million, of which $27 million is to restore Kingston to its former glory as the maximum security institution, and $6 million to downgrade Millhaven from its present status to a medium security institution.

The consequences of the government's policies are not always a saving of money, and it is very hard to understand in a document which is otherwise directed toward saving government expenditures that there would be a recommendation of this kind. I shall make a suggestion in a moment about why I think that decision was made.

The other matter to which I wish to turn briefly now is recommendation No. 26. We made this recommendation for an entirely independent penitentiary service because, in looking at the penitentiaries as they are in Canada today, we realized there was no other way the government would ever get control of them. We could hardly expect to control inmates if we cannot control those who are supposedly guarding and instructing them.

Some hon. Members: Hear, hear!

Mr. MacGuigan: The Solicitor General says we have not thought this recommendation through, especially its effect on the unions. I wondered, in listening to some of his comments, whether he has read through the text which accompanies our recommendations. Looking at the recommendation apart from the text, one does not get the full flavour. I want to read into the record a number of points on which some misunderstanding has been expressed.

● (2040)

At page 80 of the report it says:

> We find a high level of agreement on the point that a union is not inconsistent with correctional work with respect to wages and fringe benefits.

At page 81 it says:

> —since . . . the Service should resemble a police force in its discipline and professionalism, employees might well wish to have their interests represented, not by a union, but by an association like that existing in the RCM Police. This should be decided by the employees themselves by secret ballot.

The hon. member for Yukon (Mr. Nielsen) has talked about the advantages of having an association of that kind, and I recognize the advantages are considerable. But, Mr. Speaker, we did not recommend against having a union, and there is considerable misunderstanding on this point. This is an open choice for the employees to make, and I want to make sure the government understands that. As a matter of fact I would find it hard to imagine that the employees would not vote to continue some form of union. That is perfectly within our contemplation. That is their decision to make, not ours, but that union should have some limitations. It should not have the right to strike. It should have a code of discipline and means of enforcing that discipline which could, for the first time, bring about effective discipline within the penitentiaries. It should also be able to have a professionalism which we think would not otherwise be possible.

The Solicitor General, in his choices with respect to the areas covered by recommendation No. 26, does not even go as far as the interdepartmental working group which his predecessor set up. They made recommendations. But with respect

to the adjudication of grievances, the Solicitor General says that we should retain the present method, the one which the penitentiary management told us made it impossible to fire anyone, whatever the person had done. This was the one which we found totally unsatisfactory.

The Solicitor General reasons that his policy would be easier to accomplish and it would cause less confrontation. If ease of accomplishment, especially in terms of time, was the criterion—we are already nearing the end of two years from the time of our report—I think we might begin to ask why even that limited reform has not yet taken place. As the hon. member for Yukon has pointed out, in order to achieve anything we have to achieve certain fundamental things. We would prefer to wait, if necessary, another year or two to get the right kind of reform, rather than to settle for something now that is less than satisfactory.

Some hon. Members: Hear, hear!

Mr. MacGuigan: As far as confrontation is concerned, this problem can probably never be settled without some confrontation with some of the people in our penitentiaries at the present time. We should not seek confrontation, but we should not seek to avoid it either. We should establish the policies which we think we should have. I suggest that the reason we are downgrading Millhaven from a maximum to a medium institution now is that we have thrown in the sponge. We have said that we cannot get control of Millhaven. That is the reason we are spending $33 million to do something which, on the face of it, smacks of absurdity.

If one looks at the matter in those terms one can see that the difference between our proposal and that of the Solicitor General is not just some fanciful abstract one, it is one which is having harsh, concrete consequences at the moment.

My time is almost up, Mr. Speaker, but I will conclude with a few words from a letter which I received recently from an inmate. I presume my letter is from a different inmate than the one who wrote to the hon. member for New Westminster. For his own protection I do not want to reveal the person's name. This was a New Year's letter thanking me for what the committee had been trying to do. In part his letter reads:

> After five years in this system I have never really felt fear whether at the B.C. pen during the riots or here.

The inmate is referring to Millhaven when he says "here." He goes on to say:

> But for some reason I sit back now and in looking towards the new year, I feel a deep-set fear which I can't explain. I fear that this year will bring about a lot of pain and the ones that will take the blows will be eventually us. I saw desperation at the B.C. pen. and how it played with an inmate's mind. But here I see hatred. It is so bitter and deep that you could cut it with a butter knife and not even penetrate the surface.

Perhaps that is a little better phrased than some of the comments I receive from inmates, but it is very similar to the comments I get in the 50 to 100 letters I receive each week from inmates in various institutions across the country. Our proposals were not written from the viewpoint of the inmates, but from the viewpoint of the public interest.

Sometimes this is a way of measuring how the system is working by observing the attitudes of consumers. I agree with my colleague, the hon. member for New Westminster, that it would be desirable for us to have a look at the institutions to see how the policies which we recommend, so many of which have been put in place as the Solicitor General tells us, are actually working in the institutions.

I wish I had time to deal with all the aspects of this. However, the important point is that I think the committee is unanimously dissatisfied with the way things are going. That is certainly the message I would like to leave tonight.

Some hon. Members: Hear, hear!

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, this is one of the most important debates that have taken place for some time with reference to justice and legal affairs. I want to begin by congratulating the speakers today, first, the member who brought the terms of reference before the justice and legal affairs committee, the hon. member for St. John's East (Mr. McGrath). I want to compliment particularly the chairman who has always done an excellent job in a non-partisan way in justice and legal affairs, the hon. member for Windsor-Walkerville (Mr. MacGuigan).

Some hon. Members: Hear, hear!

Mr. Woolliams: If we had more members of parliament like the hon. member for Windsor-Walkerville who could show such spirit in a non-partisan way, this institution would certainly show a great improvement. It takes a lot of courage, particularly on that side of the House—who never show any division, they must not divide and everyone must speak alike—to stand up and speak the way the chairman spoke with a depth of feeling and emotion concerning the condition of our institutions.

An hon. Member: And knowledge.

Mr. Woolliams: And knowledge, absolutely correct.

I also want to congratulate my friend, the hon. member for Yukon (Mr. Nielsen). All these people were members of the special committee who travelled across this country to examine what is going on in the institutions.

Mr. Knowles: Do not forget the hon. member for New Westminster (Mr. Leggatt).

Mr. Woolliams: Yes, I certainly will not do that. He is always paying me compliments.

Mr. Rodriguez: Lawyers are all the same.

Mr. Woolliams: Some say lawyers are all the same. But I find that human behaviour and difference in personality in the legal profession exist there the same as in every other profession, even with those very strong union people.

I would like to take this opportunity to say that not only should we be looking at the conditions of the institutions, our prisons and penitentiaries, but we should be examining the

laws and the environment that got many of those people into those institutions. If John Howard, the prison reformer, were alive today perhaps he would want to see some of those institutions I have seen.

Although I was not a member of the special committee, I have visited institutions. As a lawyer of some years standing, I have seen many conditions under which people live. I have seen in this House of Commons people who believe in reform and crusades, like myself in reference to the criminal code, bring in private members bills only to have them talked out. It has been done by all governments ever since I came here. The backbenchers are practically hired to talk out bills.

● (2050)

I think that when we are talking about children, and when we have a Criminal Code as archaic as the law set out in sections 12 and 13 of that Code, it is certainly time for amendment. Take this, for example:

> No person shall be convicted of an offence in respect of an act or omission on his part while he was under the age of seven years.

Seven years! So if he is seven and a half years old and throws a can of tomatoes at a stepfather who has been brutalizing him—

An hon. Member: Shame!

Mr. Woolliams: I will give an example in a few minutes of a case in which a child was found guilty of manslaughter at nine years of age, and sentenced to imprisonment in one of our penitentiaries. This happened since I came to this House, yet I cannot get the government to act. For ten long years I have asked in private members' bills to have the age of responsibility raised. Nothing has been done, yet we have a Prime Minister (Mr. Trudeau) who talks about civil rights in glowing terms.

An hon. Member: Would you permit a question?

Mr. Woolliams: No, I do not have time. I have only 20 minutes in which to make my speech. Let the hon. member make one—he has had lots of opportunities. I will give another example of what I mean:

> No person shall be convicted of an offence in respect of an act or omission on his part while he was seven years of age or more, but under the age of fourteen years, unless he was competent to know the nature and consequences of his conduct and appreciate that it was wrong.

The age limit set out in those two sections should be raised. Over a long period I have continually asked that this be done. Such action in itself would remedy the situation I have described. In the sixties I raised in this House the situation of a boy called Henri, written up by Mr. Bill Trent of *Weekend Magazine* at that time. He got the information from Mr. MacLeod of the penitentiary service. This boy was put into one of our penitentiaries in New Brunswick, and he was so small that after they had locked him up in solitary confinement for the night he was able to creep through the bars. The guards, the enforcement officers—I can get emotional about this having been a defence lawyer all my life—took up a collection so that he could have a bicycle to ride around the prison yard during the daytime.

Take a look at what is still going on. These figures are for 1977. Five of the inmates of penitentiaries are under the age of 16, 38 are under the age of 17, 1,343 are between the ages of 18 and 21. What is wrong with the system of law in this country and with the administration of justice that we should be incarcerating more people per capita in different institutions here than any western nation? I might even be critical of the judiciary. It seems to me the belief is held that unless you hand out between five and ten years you don't think you are punishing anyone.

I will make a prediction. We abolished capital punishment and set a penalty of 25 years for first degree murder, without right to parole unless granted after 15 years by a judge. I predict that within five years, at the rate murder is increasing in this country, 800 people will have been found guilty of first degree murder, some of them for the second and third time in the penitentiaries. Are they to be placed in with children? Are they to be segregated? What have they got to lose if they take the life of a law enforcement officer? Nothing.

Look at the figure for Ontario—I could not get the figures for another province. In the training institutions which are really children's prisons and jails—there is no difference—there is one child under the age of nine, there are five under the age of ten, there are ten under the age of 11, there are 25 under the age of 12, 17 under the age of 13, 204 under the age of 14, 384 under the age of 15, and 34 under the age of 16.

Take the case of a fellow by the name of Tony, now 23, serving three years in Collins Bay Penitentiary for armed robbery. He was mistreated by his stepfather, never given anything—if he wanted something he had to steal. He was caught for truancy at the age of 13 and sentenced to a training school for three years. He was small for his age, weighing only 75 pounds. The discipline at the school was extremely rigorous; he was repeatedly beaten by the staff and by fellow inmates. His wrists were so small that when they arrested him the last time the handcuffs fell off his wrists. These are facts which I have discovered through research.

Consider the case of Peter, aged 35, serving a five-year sentence for assault causing bodily harm. When he was a child his parents broke up and he was sent to live with his 89-year-old grandmother. Children's Aid took him away and sent him to detention home for being a truant. One day, when he was 16, he broke a parking meter. He was caught and taken to Cobourg Training School in handcuffs. One of the instructors at the school beat him with his fists because he did not like his attitude. I could go on. I could put dozens and dozens of such cases on record.

As Pierre Berton said in an article he wrote on the subject, one by-product of all this is homosexuality, since young offenders are often dumped into prison compounds along with old and hardened men. It is almost axiomatic when young people are placed in such prisons, especially children as young as 13. I referred to this when I spoke in the sixties. Nowadays they are sent to what are called training centres. In my own

city of Calgary they have incarcerated kids. It is the same wherever you go.

Surely it is time for reform. I am proud to have belonged for a number of years to the Standing Committee on Justice and Legal Affairs, a non-partisan committee in which we are able to come to grips with many of these problems in the spirit of good will rather than in a partisan way. Those are the circumstances in which we get a speech like the one the chairman of the committee made this evening. We hear such speeches from all quarters of the House by members who are endeavouring to get the recommendations of the subcommittee approved. These members are asking for an extension of the time of the reference so that they can go back to these institutions and talk to those who are incarcerated, some of them in solitary confinement, in what they call the hole. We want to find out what improvement has taken place in the year which has passed since the committee travelled across the nation.

I was glad to see that today the Solicitor General (Mr. Blais) bent under pressure—his henchmen had earlier tried to get this motion ruled out of order. In my view, not nearly enough encouragement has been given to the committee. I say that surely, at a time when conditions are such that riot after riot is taking place—trouble and dissension are everywhere—the government should look once again at what is taking place in these institutions.

It is my philosophy that young people, when they come into this world, are like a piece of white paper with no writing on it. What happens to them along the trail of human life is often the result of factors in their environment. We are all a part of everyone we have met. Once a person is incarcerated it is a case of "out of sight, out of mind." That is why this debate is so important. That is why the committee, which did such an excellent job, much of it during the recess, travelled across the nation to examine at first hand the problems of these institutions.

● (2100)

I will make two points before I sit down. Let us get on with one of the great reforms of all time. In one of his articles Doug Fisher said that I am not a reformer. I do not know where he has been. I have introduced bill after bill, as the committee knows, to try to amend the Code. The Law Reform Commission should stop philosophizing and get down to redrafting the Criminal Code of Canada, which is 100 years old.

Mrs. Holt: Hear, hear!

Mr. Woolliams: I could read section after section which does not apply to the modern world. Let us streamline the law and bring it into line with the eighties, but we will not do so with this worn out, dried up old prune of a government. This government has had it. We must get some new blood.

Sometimes we have to become partisan. I agree with the lady who interrupted me a moment ago that sometimes we have to become partisan. She herself does so in order to get her own party to move. The hon. member is a reformer. Other hon. members opposite are not reformers, they are sitters. They like their jobs, their salaries, and their executive capabilities.

Mr. Baker (Grenville-Carleton): There is nothing partisan about the truth.

Mr. Woolliams: I must agree with my House leader in that regard.

The second thing we must do is get our institutions in line with the eighties. We should set up family courts and bring in a young offenders' law so that people will have a chance when they are brought before our justice system. There should not be the confrontation and the antagonistic system of criminal law we have now where defence counsel is against prosecutor, and where judges are against this person or that person. Young men and women should have a chance in this society of ours instead of ending up in institutions which are such a disgrace that even John Howard would have blushed if he had seen them.

That is my message in this debate. I hope it will penetrate the government, for whatever time it sits, and God help us if it sits much longer.

Some hon. Members: Hear, hear!

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, 20 months ago this committee was called on to serve its country at a time when our maximum security institutions were rocked by more riots, bloodshed, anger, pain, and cost to the taxpayer in two years than in all of the 42 preceding years. Twenty months ago in our first recommendation we wrote that "a crisis exists in the Canadian penitentiary system, that it could be met only by the immediate implementation of large-scale reforms and that it was imperative that the then solicitor general act immediately on the report as a matter of the utmost urgency." This month the status of recommendation No. 1 is that "the balance of this report is a statement of the actions to January, 1979, on the implementation of the recommendations in this report."

I say that the status is non-existent with regard to the state of crisis and tragedy which I know now exists. The implementation, for example, of what is called a special handling unit in Millhaven has become a basis for the continuing bullying, harassment and hoodlum activity of a few men who pretend to be leaders of a so-called union. I think that union exists to the disgrace of all of us who strongly believe in trade unionism.

I was a trade unionist. The hon. member for New Westminster (Mr. Leggatt), the hon. member for Yukon (Mr. Nielsen), the hon. member for Windsor-Walkerville (Mr. MacGuigan) and all of us on the penitentiary committee went to great pains to find a way not to ban or attack the union because of these horrible people. Because of these people there was havoc in the prisons and much damage and injury to inmates, as well as guards.

Mr. Leggatt: You don't mean every local.

Mrs. Holt: No, not every local. I am talking about Millhaven, and I am not talking about all the guards in the prison. The

union to which I refer did not represent the full staff—not all the guards or treatment people. It represented a handful of people who made sure that there was no representation at meetings.

Today we are going to rebuild Millhaven at a cost of $33 million. I say that it would be cheaper to implement our report, to fire those hoodlum leaders, and face the courts, if necessary, than it would be to rebuild a prison without finding a solution to the tragedy of Millhaven and those who are inside. Both guards and inmates are victims of those few people. Guards are still finding their tires slashed. They are still threatened at pubs. If they want to serve on a committee to help in rehabilitation, they face injury and suffering.

I am proud to intervene in this debate as a continuation of my duty as one of a non-partisan committee. It is remarkable that the hon. member for Yukon, the hon. member for New Westminster and all the members of the committee managed to sustain non-partisan standards right up to this time. One or two did come in latterly who created some change. I was very uneasy about trends towards partisanship instead of sincerity in this matter.

I am intervening for two basic reasons. The first is that the penitentiary committee should be given a reference so that it can return and check claims of new unrest and administrative wrongs. I, and perhaps others on the committee, suspect that things are being covered up by the word "implementation". I do not believe that the most important and crucial recommendations have been implemented—those that can save taxpayers money, eliminate useless and damaging bureaucracy, and eliminate control by a handful of hoodlum guards who will not even allow treatment programs to go ahead in some of our prisons. In fact, with regard to one of our most important recommendations, recommendation No. 26, there are 17 pages devoted to the pretence that there has been implementation with regard to the union. Those pages are a cover up with social worker terms as "discussions held", "selected, separate employees involved", "questions put", "analyses", "assessment of effectiveness", "review of reasons" and "consultation". Those words indicate there has been no action, just talk. At the end of all talk and at the end of all dreams, must be action.

As the hon. member for New Westminster noted, there was not one significant incident while our committee was working. I know that every member of the committee who gets letters and who goes to the prisons today asks inmates "please wait". We ask the guards not to get angry, and to stick it out. We ask them to, "please, please wait, don't blow it because we are still trying to work out the prison problems and implement the report."

I hope that does not give false hope. I know I write letters saying, "Keep it cool, the parliamentary committee is serious and honest." I am certain that is why there was minimum violence for a considerable time, even after one report was tabled. We did manage to keep the lid on because of our contacts.

The report of the penitentiary subcommittee is not bits and pieces. It is not the kind of report of which only small parts can be implemented with the expectation that the prison system can be improved and the lives of those inside can be restored.

The reference with regard to the bill which is before the committee now is relevant, because I can see that children's rights may very well be written in beautiful language, but that will not matter if we put children through a prison system which makes them more dangerous when they come out than when they went in.

The one thing society must worry about is protection of society. That is not done by cruel security. It is not done by locking men and women into cages for 23½ hours a day, by abusing them, gassing them and harassing them. This only guarantees they come out more dangerous than before. And 99 per cent of all those in prison do come out—they come out as of law, as of right. They walk beside us on the streets; they shop with us in the stores; they go to ballgames with us and sit beside us at hockey games. If they are more dangerous when they come out of the prison system, society is not served. Our report as a whole—not in bits and pieces—was designed to change the whole prison system, to assure the reformation of those committed to federal care.

● (2110)

Now, what are they doing? I suggest that the commissioner and his group of executives—that bureaucracy at the top—are not implementing our recommendations but rather are spending millions of dollars on task forces which travel all across Canada to find ways to avoid implementation. I see members of those task forces all the time on the planes. I hear them talking about how they have just done this job in a prison, and laugh about it. The task forces are redundant, they are repeating our work at the cost of millions of dollars to Canadians. I suggest they are not implementing our report but rather finding ways not to implement it. For example, the directors of prisons and of regions would not want the regional headquarters closed as our report recommended, because it would mean a loss of jobs at the top.

The second point I want to make which is so important—probably the most important reason for my rising to speak here tonight—is in regard to the whole system of committees of the House of Commons. Are we, members of committees, working long hours on these committees—sometimes on three committees a day, one committee meeting running into another—simply strutting and fretting on the stage as we are doing here, or are we there to serve the people of Canada? I suspect it has reached the stage where we rubber stamp budgets in our committees and the bureaucracy takes control from there.

It is similar in the CBC where we approve the budget and the executives, the officials, take the money and use it to pay Knowlton Nash $20 a minute, $90,000 a year; they use the rest to perpetuate people at the top, instead of for good programming. The same situation exists when we pass the solicitor general's budget; the money goes to the top bureaucracy. It does not go down to the treatment of the inmates, to

treatment programs, to reform programs. The top people want to keep their top men working and their task forces happy.

I say that unless a real study of the whole committee system is undertaken and reforms are brought in, we might as well not work in this House. The role of our committees is crucial to the whole democratic process. I will consider a speech to change the committee system the most important I can make in the House. Let me emphasize that the motion before the House now is absolutely crucial in the discussions of the future of our work in a democratic system.

Some hon. Members: Hear, hear!

Mrs. Holt: The feeling that we waste time in our committees is proven by the fact that we were an all-party penitentiary subcommmittee and that this report was accepted unanimously in the House. There was no dissension on it. It could very well have been implemented, even including the very difficult problem of dealing with the union leaders and with the removal of regional headquarters.

Do you know, Mr. Speaker, that about eight years ago regional headquarters for all of western Canada, for the four western provinces, consisted of eight people in a mobile home on the prison compound of the B.C. penitentiary? Today it probably comprises 181 people, I do not have the exact figure. Twenty months ago we recommended that regional headquarters be eliminated. Possibly the most they should do is to monitor the prison and see that prisoners are supplied with things likes towels and toilet tissue. That is all it is worth. What has happened since our report was tabled? Regional headquarters were enlarged. This goes to prove that we are held in total contempt. The officials tell us that they are implementing our report in this regard. Well they have not cut, but added, a regional director general. All that means is we have another level in their bureaucracy, and our committee is held in total contempt, as is this House.

The partisan comments that have been made here about the Solicitor General (Mr. Blais) disturb me very much because I feel that there was a genuine attempt to understand and implement the report by the previous solicitor general, who worked closely with us during our work and this has been continued by the present solicitor general. I am convinced that the bureaucracy in every department of government has become very strong, and I must say the opposition and the media make it impossible to clean up the mess.

For example, I asked the Prime Minister (Mr. Trudeau) in one case why he did not fire a few people to show that parliament is the boss. He told me that when he fired one government employee the opposition tore him apart, the media tore him apart, and he was even brought before the courts. I say, "Fine, fire a few, go before the court, face the court, but let us not have this contemptuous approach to our system and to our whole democratic process."

I am serving notice in this House that I have a case right now that I intend to fight right here. Probably, Mr. Speaker, I am behaving quite improperly and I am not following the rules because I still am not fully acquainted with all the processes here. It is the Faibish matter, that CRTC commissioner who behaved so contemptuously toward this member of parliament. It is not just the incident involving the threat to do something crude with a pin but the whole principle that if this public servant had been in private business he would have been fired for gross misconduct. But here he can stay, and probably be promoted! The same is happening in the prison system.

I say that if the Faibish salary is not cut to $1 in the estimates which will come before us in March,—as an example—then I will vote against the supply bill in the House. I do not see why we should automatically accept the fact that these people should get their salary and yet not behave with respect for the public and for members of parliament. This is exactly what has happened in the penitentiary service. The commissioner says he cannot keep in touch with the 50 prisons. I suggest they are not all in riot and there are only six maximum penitentiaries. If he cannot handle them, then he should either resign or be fired. That is one of the reasons why he will not implement our report.

I want to say, before I complete my statement, that if we can all work as we did in the committee, recognizing right from the start the fact that there is a crisis in our prison system, as well as recognizing the other crises in our society and working together as a unit, we will not be destroyed by the bureaucracy. We will not be divided, and our parliament conquered, split, and held in contempt across this country.

I want to say also that last week I brought out two points to the Solicitor General. One involved my concern over parole and the management of the parole system. I learned later that immediately he contacted the parole director and the parole board and has been working with them since. On Thursday I was out to dinner at the halfway house, the post release house of the John Howard Society here.

I discovered it had opened two months ago, but in that time there were only three people in it. We keep being told that there is a shortage of after care for the transition from penitentiaries into society of hard core prisoners. But here we have only three people; there is space for 14 people. I mentioned that to the Solicitor General and apparently the remedy has been started. So it is not fair to talk about politics and political neglect by the Solicitor General, because this is a big job which, I suppose, must be handled by officials. But the officials must be the servants, not the masters of the people and of the House.

Some hon. Members: Hear, hear!

Mr. Bruce Halliday (Oxford): Mr. Speaker, it is certainly a pleasure to participate in a debate such as this, particularly when one has been preceded by such fine speakers speaking with unanimity, having one common goal and, by and large, forsaking the concept of political partisanship.

I must admit I approached this debate with hesitancy, knowing this was going to take place since some time last week. I was concerned about what would result from the debate today so that, on my own initiative, I approached the Parliamentary Secretary to the Solicitor General (Mr. Young)

to express to him the fears I had about some adverse effects which this debate might have. At the same time, I spoke to the liaison official between us in the subcommittee on the penitentiaries and the commissioner. I see that Mr. Fife is here in the gallery tonight, I presume to carry back our thoughts to the commissioner.

I approached this day with hesitation because I thought there would probably be some adverse results from this debate which would further impede the success and the implementation of our prison report. I say this because, when I sat through the last meeting of our committee on justice and legal affairs, I sensed that a real problem might arise as a result of the feelings of the officials of the Canadian correctional services. There was no doubt in my mind that those officials felt that things were not going right so far as their relationship with the committee was concerned. I felt that myself, and I seized the opportunity to write to the commissioner about it. Indeed his reply to me confirmed what I had observed at that meeting.

● (2120)

The problem is the same one identified in the report of the subcommittee. The difficulty with the prisons is not a problem of bricks and mortar, it is a problem of people. The last time I sat in the Standing committee I saw a people's problem. In fact there were two adversary positions. As the hon. member for Vancouver-Kingsway (Mrs. Holt) very admirably described, there was the position of the public service. Perhaps the hon. member has put her finger on the most important problem, not only in the area we are discussing tonight but in the total area of government as I have seen it in the last four or five years I have been in Ottawa. One could feel the tension and failure to communicate between the two sides in committee. On the one side there was administration representing the Canadian correctional services, and parliamentarians on the other. When there are those types of adversary positions, we will not be successful.

When I realized that this debate was to take place today, I was concerned we would exacerbate the problem. I felt that the justifiable indignation of some of the officials would be aggravated. Also I felt that prison inmates would be aggravated. Also I felt that prison inmates would lose some faith in the committee. Those inmates felt that they had something going in the committee which would correct and improve the situation. Tonight the hon. member for Windsor-Walkerville (Mr. MacGuigan) read excerpts from letters which indicated how the situations in Millhaven and perhaps other institutions were about to explode again. We have heard how there was complete quiet in the prisons while the subcommittee was meeting. Although this debate may provoke the government to do something, I felt it might exacerbate the feelings of prison inmates.

Perhaps this debate has damaged the reputation of the Solicitor General (Mr. Blais). I thought he would have known better than to attempt to oppose the motion coming from the standing committee. This resolution was supported unanimously by the committee. It came to the House in good faith. There was no partisanship showing in the desire of the standing committee to bring the entire subject before the committee in its proper sense. Yet, for some reason, the Solicitor General attempted to block it with a procedural move. I am pleased the minister reversed his position of being opposed to the motion. I gather he will support it now, but I am sure it embarrassed the government. We are at a time when the government is anxious to get legislation through, but now we are spending an entire day debating this issue. I am sure the time of the House could have been used considering some other issue. As this issue could have been handled very adequately within the Standing Committee on Justice and Legal Affairs if the opportunity were available.

In his presentation this afternoon the Solicitor General made comments concerning all the matters which have been implemented arising from the 65 recommendations of the report. I should like to refer to nine recommendations brought to my attention recently which have not been implemented. Where is the report on the inmates' rights? What about the problem of the in-House grievance and disciplinary hearings which are not as good as the minister led us to believe in his earlier comments today? The Solicitor General attempted to convince the House that the citizens' advisory committees are working effectively. We know that is not true, as I am sure he knows as well. The inmates' committees are not functioning well. I understand one of the inmates' committees in Kingston has been disbanded completely, because it was felt that it had no place or no role to play in the institution any longer. The training programs recommended in the report have not been implemented as they should have been.

The new prisons are another problem. There is room for discussion concerning the size of prisons, but obviously no adequate study has been conducted to justify the recent decison of the Solicitor General. The pay for work done by prisoners is grossly inadequate. The other day we learned that in some prisons there was privileged correspondence between inmates and parliamentarians openly available on charts of certain inmates for others to see. The recommendation in the report that the prison law library should be enhanced and improved has not been followed.

Today we heard some talk about partisanship. As many members have said, it is quite true there was absolutely no partisanship in the subcommittee set up to study penitentiaries. In fact, if there was any rift within that subcommittee, it was more often on an incidental basis between two members of the same party. Very rarely was there a rift between two parties. As a relatively new member of the House, it was encouraging to see that parliamentarians could work collectively toward a common goal in this case, namely, the improvement of our prisons. I was somewhat disappointed when things changed a little. This was alluded to by the hon. member for Vancouver-Kingsway. Some time last week government members of the standing committee received an updated progress report, and we were not allowed to have ours until this week.

Mr. Nielsen: I got it today.

Mr. Halliday: The hon. member for Yukon (Mr. Nielsen) received his copy today. One of the recommendations in which I was particularly interested was recommendation No. 62. It dealt with some changes in the administration of prisons at the local institutional level. The government undertook a research study to assess the feasibility of such an innovation. The green book indicated that two studies were done. It was concluded that it would not be a wise idea to attempt such an experiment. When we telephoned the office of the Solicitor General in an attempt to receive a copy of those two studies, we were told that they were not for publication and that we could not have them. That was not the type of co-operation which we experienced throughout the workings of the subcommittee on penitentiaries. The only reason such an excellent report was produced in the end was the perfect co-operation which existed. As other members have indicated, the hon. member for Windsor-Walkerville did an excellent job as committee chairman in keeping the committee non-partisan. But under the leadership of the Solicitor General, we see it falling apart.

The hon. member for Vancouver-Kingsway put her finger on the most important issue facing not only the prisons but governments in general. We have lost track entirely of the relationship which should exist between the elected representatives of the people and the people we hire on behalf of Canadians to administer and carry out the legislation we see fit to pass. There is no doubt in my mind that this is the crux of the problem.

We have heard about the failure of the CCS which I believe was in one particular area. Perhaps we have abused some of those officials in that in many cases they have attempted to implement certain recommended proposals for which we did not give them due recognition. As officials, they have assumed the role of the elected representatives. It is absolutely absurd that they have taken on the roles of policy-making and implementation.

One can look at other public institutions in the country, such as the public school system in Ontario. Its policy is formed by an elected or appointed board. Policy recommendations are passed by the board and implemented by the professionals. It is absurd that in the present system the professionals in CCS seem to think they are better judges of the needs of the country than we are. We were sent to Ottawa for the very purpose of determining what that policy should be. We made 65 recommendations, and they have turned around and told us they do not like them and are not going to put them into force. What do you think of that, Mr. Speaker?

● (2130)

An hon. Member: Who do they think they are?

Mr. Halliday: Who do they think they are, precisely? That is what galls me about what is going on in Ottawa at the present time, and I get quite disturbed about it at times. I am quite prepared to sit down with those officials and talk with them. If they have any questions to ask, they should ask us. They come to these committee meetings and sit on one side, and they inform us in their printed report that they do not agree with our recommendations and are not going to implement them. Why do they not come to us and say, "We see a problem in respect of recommendations Nos. 24 and 62?" They do not do that; they simply say they cannot make them work. They do not come out and say, "Perhaps we can come to some compromise in order that we can make them work." This is the attitude that is causing cynicism around this country about the parliamentary system.

The hon. member for Vancouver-Kingsway has talked about how our parliamentary committee system is failing. I suggest it is failing for the same reason. We as the elected representatives are not being given proper recognition. That is due in part to the failure of the government, specifically, and in large part to the failure of this government in allowing a body of officials to run this country.

Some hon. Members: Hear, hear!

Mr. Halliday: There are two recommendations about which I feel particularly concerned, namely, recommendations Nos. 24 and 62. They have reference to the management of our prisons. Strangely enough, and this substantiates my total point, those were the two recommendations of the 65 that were virtually rejected out of hand.

Recommendation No. 24 suggested a five-man board that would recommend policy to the commission. It would be responsible to the Solicitor General. The Solicitor General does not understand it. If you read what is suggested in recommendations Nos. 24 and 62, Mr. Speaker, you will have to admit that he does not understand what we are suggesting. He thinks he would be deprived of a line of authority. Obviously he does not understand the system at all, yet he comes from Ontario where this has worked beautifully in our school jurisdiction. He refuses to admit that.

The minister has been conned by this body of officials because they realize that if recommendations 24 and 62 were approved they would no longer have the power to make policy. I suggest they would be better off with the implementation of these recommendations. They would be in position to recommend policy to those who are responsible. They would have to substantiate that policy to those who are responsible for approving policy, namely, the elected representatives, who would then be prepared to accept it. Is my time running out, Mr. Speaker?

An hon. Member: No, you have five or ten minutes.

Mr. Halliday: Mr. Speaker, I am a little disappointed that we have not seen the Solicitor General here today, except for a few minutes this afternoon. He disappeared well before the debate was interrupted before the dinner recess, and he has not been here at all tonight. Perhaps his parliamentary secretary will explain why that is, later this evening.

I want to say something more about this attitude that is exemplified by our paid officials, particularly those in the CCS. That is an area where we have the opportunity of observing this attitude.

I should like to quote from an editorial which appeared in the *Globe and Mail* of February 1, 1979. It is entitled "Deregulation" and is written by Geoffrey Stevens. It hits the nail on the head and appeared, fortuitously, not long before this debate. In dealing with this problem of deregulation he has this to say:

—where does the role of the independent regulator end and the role of the accountable politician begin?

He goes on after a paragraph to state:

And there are times when the politician should step in. In an article published in the *Yale Law Journal* in June, 1975, two Washington legal experts, David R. Johnson and Lloyd Cutler (the latter being, coincidentally, Washington's negotiator in the Canada-U.S. fish war), argued that he should step in more often. "The necessity of delegation should not disguise the fact that whatever legitimacy inheres in agency action stems from a delegation of politically based power—

That is what I was trying to say a few minutes ago regarding those we appoint to run prisons.

The article goes on to state:

"Only elected officials can provide the requisite overview, co-ordination, and practical political judgment to weigh competing claims, make the necessary ultimate decisions, and stand accountable at the polls."

I have a beautiful excerpt here which one might think comes from a journal of recent date. It carries the headline "Sessional Papers (No. 18.)", and it is dated 1898. The portion I have here is a report from the inspector of penitentiaries, Mr. Douglas Stewart, who signs off as "Your obedient servant". It is dated, as I say, 1898. He is writing in the sessional papers recommending, I presume, to the Department of Justice, under the heading "General System of Control", certain things. It seems that back in 1875, over 100 years ago, the management of penitentiaries was vested in a board of directors, the very thing this subcommittee saw fit to recommend in 1977. In 1875 that board of directors was abolished and replaced by departmental control under the minister of justice.

In 1879 a commission was appointed to study penitentiaries, headed by Messrs. Taché and Miall. Mr. Stewart, the inspector of penitentiaries, had this to say:

The trend of opinion among those most closely identified with the prisons has been adverse to direct departmental control, and the case from that point of view is forcibly set out by Messrs. Taché and Miall in their report in connection with the management of the penitentiaries, dated 23rd December, 1879.

Let me read a couple of quotations from this report of Messrs. Taché and Miall because they point out that in 1879, one hundred years ago, the very problems we are trying to correct by recommendations Nos. 24 and 62 then existed. The first quotation is as follows:

"The study of the subject of prison management, if pursued free from the influence of preconceived ideas, must lead an unbiased mind to the conviction that such institutions should be governed and directed by an organization or body of men free from political or other extraneous influences."

I would like to have another opportunity to refer to this document at a future date, Mr. Speaker. Let me conclude by saying that there is evidence to show that the system we now have did not work 100 years ago and it is not working now. It is high time we, as elected representatives, insisted that these managers do the job we want them to do rather than the job they think they should do.

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, in the remaining few minutes I should like to speak on the motion moved by the hon. member for St. John's East (Mr. McGrath). I shall try to be as brief as I can as I know the hon. member for Toronto-Lakeshore (Mr. Robinson) would like to speak for a few minutes. If I can leave him one or two minutes perhaps we can be in our seats before ten o'clock and the question can be put.

Underlying the motion presented by the hon. member for St. John's East there is an evident feeling that prison reform is not proceeding. That is a feeling that can be disspelled by a consideration of the facts, if one will take a quiet and objective look at those facts. Many of the accomplishments of the ministry in implementing the recommendations of the subcommittee on penitentiaries were outlined by the Solicitor General (Mr. Blais) this afternoon. Since that time we have had a number of speakers from all sides of the House presenting their particular points of view.

● (2140)

I could say to all members in this House, and to anyone who is watching, listening or may eventually read the report of this debate, that the minister and myself as his parliamentary secretary, I think, are as aware as anyone in this House of the situations which exist in the prisons of this country today. The minister and myself, on his behalf from time to time, are in charge of the operation of these institutions from a policy and directional standpoint. We receive daily reports on the incidents and troubles which exist within the prisons.

That is not to purport that anybody who has entered into this debate is attempting to suggest that they are any more concerned about prisons than any other member or the minister himself, but surely the minister and myself are no less concerned about our prisons and about prison reform in this country today. It is evident from the comments which have been made that, for many members in this House, prison reform has become in essence a motherhood issue. To say that it is a motherhood issue—

Mr. Nielsen: Oh!

Mr. Young: The hon. member for Yukon (Mr. Nielsen) groans. I wish that he would hear me out for just a second. To say that it is a motherhood issue is not to denigrate the issue at all. I use that term to emphasize the importance of this issue to all of us. It is an issue on which everybody, including the members of this House, has different points of view.

Mr. Nielsen: Not the committee.

Mr. Young: Not the committee? I think there are different points of view. I will explain my remarks for the hon. member. I am not trying to lessen the importance of the matter when I say that, but what I mean is that it is like trying to define motherhood. Each of the 264 hon. members in this House has

a slightly different interpretation of what motherhood is, and of what the best parts of that subcommittee report are.

It is evident from the debate this afternoon that each of the members has concentrated on slightly different issues in the report. In sum and substance all those who served on the subcommittee wish to see the recommendations implemented as soon as possible.

Mr. Nielsen: All of them.

Mr. Young: I would think that hon. members out of necessity should feel that way, otherwise they would be casting doubt upon their own work. I would expect the members of that committee, who worked for almost a year travelling across this country interviewing many different witnesses, to be very interested in seeing those recommendations carried out.

Prison reform is a matter of prime importance in this country. The hon. member for Oxford (Mr. Halliday) has made the comment that privileged mail was being opened. If he has actual cases with facts and names, I wish that he would report them to me because I, like the hon. member, am one of those people who correspond almost daily with inmates in the various penitentiaries. I do it on behalf of the ministry, and I receive a good number of letters in return from inmates commenting on the letters which I sent to them personally as a member of parliament, aside from the ministerial or quasi-ministerial duties which I perform in my work.

The hon. member for Oxford commented on studies which are being done with regard to pay for prisoners who work in the prison industries. He said that the studies which were being done were not sufficient. Those were his interests in the debate. The hon. member for Vancouver-Kingsway (Mrs. Holt), my colleague, was very concerned with recommendation No. 26, that officials were doing too much travelling across the country studying the recommendations which have been made.

The recommendations in the subcommittee report, although they were expanded upon in chapter after chapter, were general recommendations which must be taken and put into practical effect. They require work in the form of intensive study as to how they can be carried out.

Going back to the hon. member for Oxford for a moment, he said in relation to the letter from which he quoted that he felt the prison system had not been the best in this country for a 100 years, and was not today. I do not accept everything he said, but if that were the case, how can the members of the subcommittee expect that history, that period of 100 years, through different governments from different sides of this House, to be turned around in a matter of months following the tabling of their report? I suggest that that is not humanly possible, to turn around 100 years of history overnight, as much as we might like to clear up all of the problems. To expect that it would be done in a few months is a bit of a "Pollyanna" attitude.

Mr. Nielsen: None of us expected that.

Mr. Young: There have been comments to the effect that the ministry has not responded to the subcommittee report.

Mr. Nielsen: No, there have not.

Mr. Young: There has been response. I have a copy of the progress report which hon. members received a couple of days ago.

Mr. Nielsen: Today.

Mr. Young: I delivered copies to some of the hon. member's colleagues yesterday, and if he was not here in the House, then I apologize for that. I got copies to hon. members as fast as I possibly could.

Mr. Nielsen: You had them a week ago.

Mr. Young: Here is a progress report dated January, 1979, and it is only one in a series of progress reports which have been put out by successive Solicitors General.

The subcommittee report was tabled in the House in June, 1977. In August, 1977, the then solicitor general submitted to the House a detailed response to the recommendations and followed that up by tabling detailed recommendation-by-recommendation progress reports on the implementation of the subcommittee's report. The present Solicitor General, having assumed office in February, 1978, was very quick to announce his intention to honour the commitment of the previous solicitor general. Subsequent progress reports were developed and given to all hon. members.

Mr. Nielsen: At the same time?

Mr. Young: The present Solicitor General has appeared twice before the standing committee to update members on the progress of the implementation of the recommendations, so I do not think that it is fair to say that there has been no response.

Mr. Nielsen: I didn't say that.

Mr. Young: I have said that hon. members who have participated in this debate each touched on a different point which was of particular interest to them. The hon. member for Windsor-Walkerville (Mr. MacGuigan) was interested in the size of the planned new penitentiaries. His request was that he be given the studies done and data developed upon which the ministry calculated the necessary size of prisons to be built or remodelled. I am suggesting that a good deal, if not all, of that information, can be made available to hon. members when the minister and his officials come before the standing committee very shortly to deal with supplemenary estimates and the main estimates for the coming fiscal year. Those two occurrences are to take place very shortly, and all members will have a very adequate chance to ask for that data.

Mr. Nielsen: That is not true.

Mr. Young: I have come to learn, Mr. Speaker, that the answers hon. members receive in committee are as good as the

questions asked. If hon. members would put pertinent questions and ask about the data in the studies, I will do my best, as a member sitting on that committee and in my position as the parliamentary secretary, to see that they get their answers, because that is part of my job.

The hon. member for New Westminster (Mr. Leggatt) was concerned about prison industries and the atmosphere in prisons today. For the hon. member for Yukon the concern was disruption in the penitentiaries today, and the treatment of the committee's report. He mentioned a recent incident at Dorchester penitentiary. I want to suggest to him that the incidents which took place at Dorchester recently were from other causes than the ones he feels were responsible.

● (2150)

I recently received a letter from an inmate at Dorchester. I will not reveal his name, not because he would suffer any retribution or harm and I would be happy to show the letter to any member of the House, but he is an inmate whose name would be recognized by almost all hon. members. In the past he has been a prolific letter writer. He has corresponded with me on a number of occasions, and with the chairman of the subcommittee on a number of occasions as well. The letter to the minister and to the commissioner praised the new director of Dorchester and the measures which have been instituted there.

I think I may have answered some of the comments of the hon. member for St. John's East, Mr. Speaker, who complained that there had been no response to or comment on the report of the subcommittee.

I would like to sum up very briefly, Mr. Speaker. A wealth of information is available to hon. members in the progress report dated January, 1979. It follows in a logical sequence those studies which have been done in order to implement the subcommittee report. It is true that it takes quite a number of pages to cover the work being done on recommendation No. 26—17, in fact, as was pointed out by the hon. member for Vancouver-Kingsway. My colleague may feel that those are just words, but in the margin there are dates running all through this year by which those studies will be completed. If hon. members doubted the work that is going on, I encourage them to ask the officials when they appear with the minister before the Standing Committee on Justice and Legal Affairs very shortly.

I could outline a number of other things the ministry has done. The Solicitor General has suggested to the standing committee that a number of significant steps can be taken within the current framework to bring about the result that he and all hon. members want to achieve and that will further the development of a disciplined and professional career service. Steps have been taken to create a career management system and a corrections "family" classification category. There are steps to provide the service with special status and authority under the Public Service Staff Relations Act. There are provisions for a new professional code of conduct in the Penitentiary Act regulations. There is the delegation of full staff authority to the service on the basis of "prime user status" under the Public Service Employment Act.

I know that the commissioner has sent to members of the Standing Committee on Justice and Legal Affairs an outline of the steps taken by his service in 1978, entitled "The CCS Major Accomplishments in 1978", which runs to eight or nine pages.

I want to leave a few moments for my colleague to sum up, Mr. Speaker. He asked me to leave him five minutes at the end, and I am leaving him exactly that. I know that hon. members waited with baited breath and, I hope, with not too jaundiced an eye to hear the few remarks I would make this evening. I thank you for allowing me to participate.

Some hon. Members: Hear, hear!

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, first of all I want to congratulate the hon. member for St. John's East (Mr. McGrath) for bringing this motion forth. It is very timely and is of great importance to this House. Unfortunately, my time is so short that I will barely get started before I have to finish.

We are all concerned about the incarceration of children, the penal system, and penal reform. The children of today become the adults of tomorrow. That is all the more reason we should consider this in depth, and not only consider the ten principles of the United Nations mentioned in Bill C-204 as presented by the hon. member for St. John's East but also the penitentiary system which may affect the lives of all of our children today.

I do not want to go over a lot that has already been covered by hon. members tonight, because basically I subscribe to virtually everything they say about the report. As a member of the committee and one of those who spent seven months looking at the prison system in this country and in the United States, I appreciate the problems, and I want to see that something is done about them.

The most important recommendation in the report is recommendation No. 65, which I should like to read into the record:

> The Standing Committee on Justice and Legal Affairs should have a permanent reference during the rest of the 30th Parliament and for the 31st Parliament to enable it to review the implementation of this Report in the context of the criminal justice system.

To my mind this is the most important single recommendation in the report. If it had been implemented we would not have to implement all the rest, because the committee would be able to do it.

Some hon. Members: Hear, hear!

Mr. Robinson: I tried to make a point earlier to the hon. member for Calgary North (Mr. Woolliams) but he would not allow me, to the effect that we must consider the Juvenile Delinquents Act as well as the Criminal Code when we speak of children. Many sections of the Criminal Code are important, such as section 43 which concerns discipline of children,

and Section 159(8) which deals with obscenity. Hon. members will remember that we prepared a report on obscenity for this House. Section 166 deals with parents or guardians procuring defilement. There are assault provisions in the Criminal Code. Section 150 concerns incest, seduction, and other matters. Section 206 is with regard to children becoming human beings. Section 251 is on abortion, Section 196 deals with abandoning a child, Section 197 deals with providing the necessities, and there is a host of other provisions in the Code that will be opened up now so that we can deal with these matters.

I do not want to talk out the motion, Mr. Speaker. I know it is going to get unanimous consent and I thank the minister for agreeing to that. I am sure I speak for all members of the justice subcommittee and many other members of the House when I say that we want to see this report implemented because it is so important to the penitentiary system today.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Ethier): Is it agreed that the House call it ten o'clock?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HEALTH AND WELFARE—GOVERNMENT CONTRIBUTION TO HEALTH CARE PROGRAM

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I drew the attention of the Minister of National Health and Welfare (Miss Bégin) to a problem of an increasing number of aged patients and the lack of proper chairs of medicine being established in the universities across Canada for this purpose. The over 60 years of age is the fastest growing group in our society and we have created a social and economical problem for the government with this new breed of patient with whom we have had only limited experience. Those who suffer from degenerative diseases are not cured by a pill or an antibiotic. They create new problems in medicine.

At the beginning of this century a doctor had few drugs but his presence created trust and confidence. His suggestions were indeed potent weapons, and his competence and spiritual faith carried many back from severe illness which might otherwise have proved fatal. He was often the sole comforter in the home. Today the situation is different. This is almost a lost art. His work is now largely a hospital practice. He makes his rounds, sometimes with an army of paramedical personnel. This destroys the closeness that existed when the doctor, the patient and the family were the only ones concerned.

• (2200)

Let us take a look at the beginning of this century when life expectancy was just over 40 years. Today life expectancy is just over 75 years. In the over 75-year age group the average woman lives 5 years longer than a man. In the over 85-year age group there are two women to every man. With the advent of scientific medicine at the beginning of the century life expectancy increased.

In 1900 there were many diseases. The first medicine we discovered of any real concern which made an impact on the world's scientific field was smallpox vaccine. Along with that was the development of antiseptic surgery by Dr. Lister. At the beginning of this century there was recognition that typhoid fever was caused by an organism. This organism was found in the environment and in polluted drinking water or food that was handled by someone with the organism. It would have been impossible to have fought the First World War if we had not discovered the cause and prevention of typhoid fever.

Then we come to the scientific era of antitoxin and diphtheria. This disease was one of the great killers in 1905. I remember a family of five who lived next door to me who died from diphtheria. An antitoxin had been used in the first case discovered in the neighbourhood but it had been used in too small a dose. Quickly followed by the diphtheria and scarlet fever antitoxin was a whole host of disease preventives. Next came the discovery of insulin for the treatment of diabetes, by Drs. Banting and Best. As a result of this a number of young lives were saved. I remember a Dr. Gilchrist, a childhood diabetic, who later became a famous doctor in Toronto. I could give many more examples, including the treatment of pernicious anemia.

Following that came the sulphur drugs and antibiotics, with the advent of penicillin and the golden age of aureomycin followed by the tetracyclines etc. Then all at once we found that infections were not the biggest killer of people up to the age of 35 or 40, instead today accidents take more lives.

Then we found some people approaching the age of 50 were developing chronic diseases. These diseases included those of the heart, the lungs, the arteries, the cardiovascular system, rheumatoid arthritis, emphysema, and so on. Sometimes people were not just afflicted with one ailment but two. We found out that by comparing a person aged 60 with a person aged 20 or 30, the 60-year-old would have three times the number of illnesses. As a result of many postmortems performed on people in their nineties it has been found that not only do these people have one disease but sometimes three or four, and perhaps as many as one to three cancers in their vital organs. It was found too that the cancer had not always been the cause of death.

This field has never been explored fully because all at once it is ongoing. Ten years ago we were told this field would be opened up, but nothing has been done yet. The geriatric specialty is not taught in this country, and I want to give you a brief illustration of that. Very few physicians have special training in the complexities and the needs of the aged patient. Older people very often manifest symptoms entirely different from those commonly associated with certain ailments among those less advanced in years. Many diseases occur to me in this context, but I shall not refer to them now. A fellow who is 80 can show symptoms quite different from those which would be expected in the case of a younger man like yourself, Mr. Speaker.

● (2205)

The place to generate the new training which is required has to be our medical schools. And listen to this—

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

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I will begin by commending the hon. member for Simcoe North (Mr. Rynard) for his persistence in bringing up this whole question of the need for geriatric care. He speaks with knowledge, interest and enthusiasm, and he will probably continue to do the same in the future. He is a doctor and a senior citizen, an expert on this topic, so it is good to hear from him this evening.

On December 14, 1978, the hon. member drew the attention of the House to the changing health requirements of an aging population. The shift in composition of the Canadian population is a major consideration of health planners at all levels of government and in the health professions. A number of issues related to these changes were raised at a national symposium on aging held in Ottawa in October, 1978.

Demographic forecasting is very complex, and trends may be altered considerably over the course of several decades. Nevertheless, there is considerable agreement among experts that the proportion of the population aged 65 years and over is likely to rise from the 1976 level of 8.7 per cent to about 12 per cent by the turn of the century. One need not be overwhelmed by this transition; Great Britain, France, Austria, East Germany and Sweden are among countries with 12 per cent or more of their population over 65 years of age.

Planning for the future does not only involve services for senior citizens. All segments of the population are affected by demographic transition, and comprehensive planning is needed. The provinces, of course, have direct responsibility for provision of most health and welfare services. Several provinces have initiated programs for adjusting their services to the needs of a changing population. The increased flexibility in provincial use of federal funds provided under the new financing arrangements assists them in making these modifications.

In response to suggestions from a number of provincial and voluntary agencies, a bureau on aging has recently been established in my department. This bureau will serve as a communications link between the federal government, provincial governments and organizations for the aged, and will become a contact point for individuals and senior citizens' organizations.

The health of senior citizens is not determined solely by the availability of "geriatric medicine". An objective of the department is the promotion of a healthful lifestyle and an increased sense of personal responsibility for one's physical condition. Prevention of damage to our health at earlier stages of life may have a profound effect on our state of health and well-being as we grow older.

VETERANS AFFAIRS—PRO RATA PENSIONS FOR WIDOWS OF DISABLED VETERANS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, on February 5 I raised a question in the House with regard to *pro rata* pensions for widows of disabled veterans. As the legislation now stands, widows of veterans receiving less than 48 per cent disability pension are left without a pension. I also asked whether the Deputy Prime Minister (Mr. MacEachen) would tell the House when he plans to bring in *pro rata* pensions for these women, thereby implementing a recommendation of the Standing Committee on Veterans Affairs. The Deputy Prime Minister said:

● (2210)

Mr. Speaker, I am aware of the provision of the Pension Act upon which the hon. member bases his question. However, I have not had a chance to talk with the Minister of Veterans Affairs about this. I will draw the question to his attention. I am sure he will give it his usual sympathetic consideration.

I then asked the Deputy Prime Minister whether he would promise to bring forward legislation dealing with the recommendations in whole or in part before an election is called. He answered:

—I cannot guarantee that legislation will be brought forward during the present session. In the normal course, the minister involved makes a recommendation to cabinet on these matters. Until that recommendation is made, such reports are not normally studied by cabinet.

The question here is why the Minister of Veterans Affairs (Mr. MacDonald) did not raise this matter in cabinet. It seems very strange that a recommendation which was made in 1975 by the Standing Committee on Veterans Affairs has not even been raised in cabinet by the Minister of Veterans Affairs. The recommendation was as follows:

Your committee also recommends to the House that consideration be given to amending the Pension Act to provide that a widow's pension be awarded on a sliding scale as follows:

When at the time of death of the prisoner he was, or would have been in receipt of a pension assessed at 47 per cent or less, that pension be paid to the widow in double proportion to the assessed degree of the pensioner's disability as it relates to the basic pension granted to widows.

That was the basic proposal, and now, three and a half years later, we learn from the Deputy Prime Minister that the Minister of Veterans Affairs has not even raised this matter for consideration in cabinet. That is unbelievable.

That brings us to the question of priorities. It was announced just last week that the government has found $18 million to build hockey arenas across the country. Hockey arenas have a higher priority than finding money for the widows of veterans. That is a strange priority.

It seems to me that bribing the Canadian people with hockey arenas just before an election is just a gimmick, and it should not be a higher priority than the widows of veterans. We also found out just last week that the government has found money so that Statistics Canada can conduct a study on the amount of toilet paper and the number of sanitary pads female members of a household use. Those are the strange priorities of this government. It conducts studies on what people do in their bathrooms, but it cannot raise money for the widows of veterans. We will be passing this information around the nation, and to all widows and veterans' organizations, in order to point out this government's priorities. Its priorities are toilet paper, sanitary napkins, and bribing voters with hockey arenas.

Another recommendation which has not been fulfilled dates back to 1970 and deals with the basic rate of disability pension. As a result of the work of the committee to survey the organization and work of the Canadian Pension Commission—that was the Woods commission—the Standing Committee on Veterans Affairs recommended to the House of Commons in June of 1970 that the basic rate of the 100 per cent disability pension should be the same as the average or composite wage of five categories of unskilled employees in the public service, and that subsequent increases in the pension should be based on the same formula.

Obviously, the Minister of Veterans Affairs has not discussed this in cabinet either. A junior minister just appointed to the cabinet recently makes more headway than the Minister of Veterans Affairs, who has been in the cabinet since 1972. The Minister of Veterans Affairs has not raised these matters.

There are other matters we had hoped the minister would raise, but apparently he has not. One of those matters is compensation for prisoners of war over and above the disability pension. Another recommendation the committee made is that the government ensure that disability pension increases are not accompanied by reductions in other awards or allowances.

● (2215)

I would suggest that the government take a second look at its priorities. With the uncontrolled inflation which exists in this country and the problems that our senior citizens are having, this is not the time for squandering money on the useless statistics that Canada studies. It is time they looked at our veterans affairs problems. I hope we will have a straightforward answer from the parliamentary secretary tonight, some assurance that legislation will be brought in, before an election is called, to deal with widows' pensions, because if it is not brought in before an election, six or eight months could elapse before the next Conservative government could deal with these problems. Now is the time to deal with them, not six or eight months from now.

[Mr. McKenzie.]

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I thank the hon. member for bringing his question forward. I discussed the matter with the minister, and I am pleased to bring the information that the question of providing *pro rata* pensions for widows of veterans who had been in receipt of disability pensions at a rate less than 48 per cent is being currently studied. At present if a veteran's pension has been assessed at the rate of 48 per cent or more, his surviving dependants would be pensionable. It should be remembered that, in addition, a widow will be pensioned if her husband's death occurred during war time or was attributable to service, regardless of the degree of the assessment of disability.

All veterans' benefits undergo constant review to see what changes can be made to improve their lot and that of their dependants, and I assure the hon. member that the government considers their well-being as a priority.

ADMINISTRATION OF JUSTICE—PENALTIES FOR VANDALISM

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, while my remarks tonight are being addressed to the Minister of Justice (Mr. Lalonde), I should like to point out that he is the third minister of justice since I first introduced this subject more than two years ago. On October 29, 1976, I asked the then minister of justice during the question period what response, if any, he had made to representations from a number of Canadian municipalities asking for federal assistance in combating the rising wave of vandalism throughout the country.

I became concerned when I learned that the Minister of Justice had not made any effort to follow up on these requests, especially those from Ontario municipalities led by the town council of Trenton, Ontario. The Trenton council, and the councils of other municipalities across the province, felt that the problem was serious enough to warrant a combined federal-provincial assault on this senseless crime. So far as I can determine, neither of the two previous justice ministers has even expressed an interest in following through on these requests. They both answered my questions in much the same way, namely, that vandalism is purely a provincial matter and that any initiatives concerning federal-provincial co-operation in this matter must come from the provincial attorneys general. I reject that argument on both counts.

The answers given by the minister lead me to believe that they have failed utterly to get the point I have been trying to make over the past two years. In the first place, the minister admitted that vandalism is covered by the Criminal Code, which is the federal body of law. But the Criminal Code is administered jointly by the Minister of Justice and the several provincial attorneys general. In the second place, the initiative for establishing a joint federal-provincial effort to combat vandalism could come from the federal Minister of Justice as well as from the provincial attorneys general.

What the two previous justice ministers failed to understand is that much of the vandalism of which I speak is directed against federal institutions, such as post offices. In some areas of the country, post offices have become favourite targets of vandals. While the federal government is responsible for apprehending and prosecuting in these cases, it does not do so in isolation from the provincial agencies and departments.

● (2220)

Apart from the senseless nature of vandalism and the appalling cost to the law-abiding public, there is another good reason why the federal Minister of Justice should be interested in mounting an effective campaign against vandalism in co-operation with the provinces.

The opinion widely held today among law enforcement and social agencies is that vandalism is more than just a senseless crime against private and public property. It is believed that vandalism is a step along the way to more serious crimes such as muggings, assaults, robberies, rapes and others. The nature of vandalism itself indicates a serious lack of respect for the law and for the rights and property of law-abiding citizens. When vandals operate undetected or when they get a slap on the wrist instead of a deterrent sentence when they appear before the courts, they become bolder, and the logical progression is into more serious types of crimes. Our only protection against this senseless and costly criminal behaviour is a more vigorous pursuit of vandals and stiffer penalties when they are apprehended and convicted. These are just some of the reasons why I believe it is imperative that the federal government get into the act through the office of the Minister of Justice.

The Minister of Justice should initiate contacts with provincial attorneys general to see if there is any real interest on their part in a federal-provincial assault on vandalism. A higher success rate in apprehending vandals would do much to convince such people that they are in a very real danger of being caught and convicted, which should reduce the incidence of such crime. In any case, serious contacts between the pertinent federal and provincial authorities could have some beneficial results. Surely it is worth some effort on their part to serve notice on vandals that their days are numbered.

[*Translation*]

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of Justice): Vandalism does not exist as such in the Criminal Code. What is generally called vandalism is provided for under the sections of the Criminal Code dealing with mischief, section 387, and the wilful damage of property when the alleged amount of damage does not exceed $50, section 388. Mischief is one of those offences where the prosecution can proceed by way of indictment or summary conviction.

If the prosecution proceeds by way of indictment, there are three possible sentences. When the mischief causes actual danger to human health, the accused is liable to imprisonment for life. If the mischief is in relation to public property, the maximum punishment is 14 years. Finally, if the offence is in relation to private property, the accused is liable to imprisonment for five years.

In all cases of mischief, whether in relation to public property or private property, the prosecution can choose to proceed by way of summary conviction, and in that case, the maximum punishment is imprisonment for six months, a fine of $500 or both. Damage under $50 caused to property is an offence punishable on summary conviction, and there again the maximum punishment is imprisonment for six months, a fine of $500 or both.

It should be noted that those punishments are a maximum. The courts very rarely impose the maximum punishment. They rather use other forms of sentences available to deal with each case individually. Those other forms of sentences are conditional or unconditional paroles, fines, suspended sentences and probation.

If the court decides to impose a period of probation it can include in the terms of that probation a proviso that the accused will have to make restitution or reparation to any person aggrieved or injured by the commission of the infraction. And if the accused wilfully omits to comply with one of the terms of the probation he is liable to be charged with a summary offence and punished for such a violation. The Criminal Law Amendment Act of 1978 introduces in our criminal law new types of sentences, such as the community service orders provided in Bill C-21. Moreover, this bill provides for compensation and restitution. Under these new provisions, the court must assess each case to ensure that it can make an order of compensation or restitution without placing the accused under a probation order.

● (2225)

According to the terms of our constitution, the role of the federal parliament is restricted to establishing criminal law. Parliament has attacked squarely the issue of vandalism by including criminal misdeeds in the Criminal Code and providing sentences of five and 14 years of imprisonment and life imprisonment for this offence. The courts have all the necessary freedom of action under the present provisions to use their discretionary powers. Increasing the provided penalty would be like trying to kill a fly with a cannon and the courts would simply not impose the new sentences provided.

It is extremely difficult to imagine a particular case of vandalism against private property which would justify a sentence of more than five years in prison. The administration of justice in a province is under strict provincial jurisdiction. If vandalism is a problem in a particular area, the Criminal Code gives the substitute of the attorney general all the flexibility required to solve the problem. He can use an indictment rather than a summary conviction. Moreover, once the guilt of the accused has been proven, he can suggest a prison term to the court rather than a fine or a suspended sentence.

Finally, the provincial attorney general can appeal the sentence to the appeals court if he finds it insufficient and fears that it does not constitute an acceptable precedent as a sentence for a misdeed. I wish to thank the hon. member for having brought up this question.

The Acting Speaker (Mr. Ethier): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Wednesday, February 7, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

REQUEST FOR TWO-DAY DEBATE ON INTERNATIONAL SITUATION—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the increasingly alarming situation in which freedom finds itself today in Europe, Africa and Asia, as freedom-loving nations are falling under the domination of the U.S.S.R. and its satellites, and with the massive Soviet military expansion posing a frightening threat to the west, which a few days ago was described by the former prime minister of the United Kingdom, the Right Honourable Harold Macmillan, in these words, "The Soviet Union seems to get away with anything, just like Hitler got away with anything", in my opinion Canadians and the western world generally have a false sense of security. Therefore, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That before the dissolution of parliament, two days should be set aside for the discussion of the terrifying international situation and the need for action to be recommended and taken by Canada to meet the situation in so far as our country is concerned, before it may be too late.

Mr. Speaker: Presentation of such a motion at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CANADIAN ECONOMY

INFLATIONARY IMPLICATIONS OF UNCONTROLLED CORPORATE PRICES AND PROFITS—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43. The business press reports that in 1978, corporate profits grew at a faster rate than in any period since 1973.

Some hon. Members: Hear, hear!

Mr. Broadbent: I expected that cheer for profits from a party which has done nothing for prices. The government's monitoring agency, the Centre for the Study of Inflation and Productivity, reports profits in a comparable range. In light of the obvious inflationary implications of uncontrolled increases in corporate prices and profits, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House condemns the Prime Minister (Mr. Trudeau) who recently lectured badly paid bank clerks, who are mostly women, for leaving completely untouched the country's largest corporations which are overcharging consumers and making their largest profits in recent history.

Some hon. Members: Hear, hear!

Mr. Speaker: Presentation of such a motion for debate requires unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AIR TRANSPORT

REQUEST THAT STUDENT AIR CONTROLLERS' TRAINING PROGRAM BE TRANSFERRED FROM CORNWALL TO DORVAL—MOTION UNDER S.O. 43

Mr. Roch La Salle (Joliette): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

On October 25 last, 16 Quebec students in training at the Cornwall air controllers' school voluntarily boycotted their classes because of discrimination against them. In view of the serious reasons given by the students, the minister responsible asked that an immediate inquiry be launched and its results have shown that there was some discrimination against the French-speaking group; considering that those students were willing to resume their studies on December 18, always in Cornwall, provided they were given fair treatment, but as six of the sixteen French-speaking students have since been notified that their training was ended, I move, seconded by the hon. member for Vancouver South (Mr. Fraser):

That the House unanimously urge the minister responsible to see that those students are transferred to the Dorval regional school in the shortest possible time for the sake of justice and equity.

S.O. 43

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to Standing Order 43, presentation of such a motion can be made only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

IMMIGRATION

REQUEST FOR REVOKING OF AGREEMENT PREVENTING CANADIANS WITH CRIMINAL RECORD STAYING IN UNITED STATES—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I rise under Standing Order 43 and seek the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

Given the fact that since January 1, 1979 an agreement between Canada and the United States forbids any Canadian who has a police record of some kind to stay in the United States unless he obtains a special authorization certificate; that such an agreement is a direct breach of individual rights and liberties; and that it uselessly penalizes law abiding citizens who have had the misfortune of making one mistake, however small, in their life, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the House deplore the existence of such an agreement and instruct the Minister of Employment and Immigration (Mr. Cullen) to take the necessary steps to abolish this practice as soon as possible since it seems to me to constitute a violation of human rights.

Mr. Speaker: The House has heard the hon. member's motion. Pursuant to the provisions of Standing Order 43, this motion cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

EXTERNAL AFFAIRS

REQUEST THAT CANADA INTERCEDE ON BEHALF OF MR. BHUTTO OF PAKISTAN—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, in view of the split decision by the Pakistan supreme court in considering the appeal of former prime minister Bhutto who has been sentenced to death, and in view of the dangers of further unrest in Pakistan, with international implications, if the sentence is carried out, I move, seconded by the hon. member for Okanagan-Kootenay (Mr. Johnston):

That this House express its concern for the stability and well-being of Pakistan and respectfully urge the government of Pakistan to grant clemency to Mr. Bhutto.

Mr. Speaker: The presentation of such a motion would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH

REMOVAL OF ARSENIC STORED AT ST. PIERRE, MAN.—MOTION UNDER S.O. 43

Mr. Jake Epp (Provencher): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the responsibility the federal government has in that it banned the use of arsenic for pest control, I move, seconded by the hon. member for Portage (Mr. Masniuk):

That the federal government take its share of the responsibility of moving arsenic now stored in St. Pierre, Manitoba, as the provincial government has undertaken to do its share in the removal of the stored arsenic.

Mr. Speaker: Such a motion can be introduced for debate at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CONSUMER AFFAIRS

PROTECTION OF CONSUMERS FROM UNJUSTIFIED PRICE AND PROFIT INCREASES—MOTION UNDER S.O. 43

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

The Economic Council reported yesterday that as a result of huge price increases, profits in consumer sectors increased tremendously, with large department stores' profits increasing by 87 per cent, those of motor vehicle dealers by 42 per cent, of food stores by 42 per cent and other retailers by 33 per cent, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That this House instructs the Minister of Consumer and Corporate Affairs to take some active interest in his portfolio and do his job of protecting Canadian consumers from unjustified price and profit increases.

Mr. Speaker: The introduction of such a motion for debate would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SOCIAL INSURANCE

REQUEST THAT COMMITTEE STUDY USE OF SOCIAL INSURANCE NUMBERS—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the same Standing Order. In view of the action by the Minister of Employment and Immigration (Mr. Cullen) in forestalling consideration of the regulation of the use of social insurance numbers and the elimination of abuses in the use of social insurance numbers by the device of referring the matter to an advisory committee yet to be selected, and without a clear term of reference, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That this House direct the Minister of Employment and Immigration to immediately refer the question of social insurance numbers to a special committee of this House to investigate uses and abuses of the social insurance numbers, including the sale of official-looking social insurance cards by companies in Canada such as Frank G. Becquet of Mission City, British Columbia.

Mr. Speaker: The introduction of such a motion for debate at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF JANET MORRISSEY, CANADIAN SENIOR LADIES' FIGURE SKATING CHAMPION

Mr. Speaker: Before beginning the question period, may I invite members to join me in recognizing the presence in our gallery of a very welcome and distinguished Canadian who has just been crowned senior ladies' figure skating champion of Canada, Janet Morrissey.

Some hon. Members: Hear, hear!

● (1415)

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

GOVERNMENT'S FORECAST OF REAL GROWTH

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Finance, my question is to the Prime Minister.

The Prime Minister will know that on Monday the Minister of Finance revised upward his estimate of inflation this year. He also said in that speech that as a result of inflation and high domestic interest rates, he expects that there would be negative implications for our economic growth. I wonder if our Prime Minister can tell us whether the government is also now revising downward its forecasts of real growth.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker—

Some hon. Members: Hear, hear!

An hon. Member: That is what a leader looks like, Joe.

An hon. Member: How do you know?

Mr. Trudeau: Mr. Speaker, I am grateful for the support from my side. I think it is because I have been away from the House for the past two days.

An hon. Member: We have not noticed it.

An hon. Member: Nobody missed you.

Mr. Trudeau: I have some difficulty understanding it myself, Mr. Speaker. I was not in the House, I did not hear the speech of the Minister of Finance and I am not briefed on it. The excellent parliamentary secretary tells me that the Minister of Finance will be here in a few moments, and perhaps the question could be asked of him then. The Leader of the Opposition asked me specifically whether the Minister of Finance covered the rate of growth. I do not know if he mentioned that, Mr. Speaker.

Mr. Clark: If it is agreeable to the House, I am certainly prepared to delay my questioning in the first round until the Minister of Finance finds it convenient to come to parliament.

Some hon. Members: Oh, oh!

REQUEST THAT HEADS OF LARGE CORPORATIONS GIVE COMMITMENTS TO HOLD DOWN PRICES AND PROFITS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. As he knows, the Centre for the Study of Inflation and Productivity, yesterday and the business pages of the press in most cities across Canada, today demonstrated astronomically high increases in the profits of corporations and, therefore, in the prices of almost every sector of the Canadian economy.

Considering that almost every Canadian makes a purchase from one of the large department stores, and considering specifically that their profits went up some 89 per cent—we know what that means for prices—will the Prime Minister take some concrete action and call in, for example, the head of Simpsons-Sears, the head of Hudson's Bay—

An hon. Member: It is the same person.

Mr. Broadbent: —and the head of Eaton's, and get from them specific commitments to hold down prices and profits in the coming year?

Right Hon. P. E. Trudeau (Prime Minister): I am informed that the figures given by the hon. member and those which were published are not final, that they are subject to revision. Indeed, the Centre for the Study of Inflation and Productivity has already revised some of its higher figures and has shown that they were considerably lower.

The point remains, however, that there are profits, sometimes substantial profits, in various sectors. Members on this side have indicated their reaction to it and this is my reaction: we are glad that there are profits. I would even say that the government is probably largely responsible for the fact that there are profits.

Some hon. Members: Hear, hear!

Mr. Trudeau: We introduced budget measures which were designed precisely for that, Mr. Speaker, to increase incentives for investment and, hopefully, to accelerate growth in the business world with profits and more jobs for Canadians.

An hon. Member: It did not do that.

Mr. Trudeau: I know members of the NDP are unhappy that companies make profits. This has been their policy all the time. They do not seem to realize that when business is not losing money, it is able to go on to invest and to create jobs. That is too complicated for the NDP.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I understand your impatience, but if I am heckled you have to let me give my answer.

An hon. Member: Not forever and ever.

An hon. Member: Thank you very much, Mr. Speaker Trudeau.

Mr. Trudeau: There is a lot of skittishness on the other side; I am not sure why. What is happening, Mr. Speaker?

Mr. Speaker: Order, please.

Mr. Broadbent: Considering that wage and salary increases last year, in 1978, for Canadian workers were only up slightly more than 6 per cent, and considering that a couple of weeks ago the Prime Minister lectured women bank clerks, who are amongst the worst paid in the country, is he now saying to the people of Canada that firms such as those in the retail sector which have had astronomical profit increases well beyond their increase in sales are justified in that course of action, and is he going to defend unlimited profits and attack ordinary workers who want a decent income? Is that what he is saying?

● (1420)

Mr. Trudeau: Mr. Speaker, the hon. member talks about attacking ordinary workers and lecturing bank clerks. I put it to him that he has said this a few times and that he is distorting the facts. He may, in his tunnel vision, not understand what I have been saying; I will repeat it. But surely that is not what I said.

I said that it is good there are profits, and that it is important those profits be used to create growth in the economy. I said inside this House, outside this House and when I met with the business leaders, that it is of great concern to the government that having made profits—which shows progress in the growth of the economy—they not be used just for the benefit of the shareholders, but that the corporations have a responsibility to see that the distribution of those profits is for the good of all Canadians. Apart from the shareholders, the corporations have to consider the consumers, the workers and the growth of the enterprise itself. In other words, they must reinvest the profits to make more jobs for more Canadians. That is the position of the government. We are not apologetic about profits; we are glad that there are profits.

Mr. Forrestall: We don't need a lecture on economics.

Mr. Trudeau: We are very happy that the workers can get increased wages as a result of those profits. What we are saying is that the corporations should not expect, if they are going to give increased wages to their workers and increased dividends to their shareholders, to be able to turn around and get increased prices from the consumers just as a result of their largesse to themselves.

Mr. Broadbent: Mr. Speaker, in the Prime Minister's long answer he made one of his red herring accusations. He knows as well as I that this party has never opposed unreasonable profits.

Some hon. Members: Oh, oh!

Mr. Broadbent: I notice that the Prime Minister is smiling. He is aware of my point that, for example, we have governed in the province of Saskatchewan which has the lowest cost government in this country, per capita, and it favours reasonable profits.

Considering that in the United States both President Kennedy and President Johnson, when they saw that the steel sector was making more than reasonable profits and indulging in price-gouging, called the companies in and forced them to reduce their prices and profits. What I am asking, in this context, is that the Prime Minister put up or shut up. Will he do the same in this country on behalf of Canadian consumers?

Mr. Trudeau: Mr. Speaker, the Leader of the New Democratic Party said that his party has never opposed unreasonable profits; is that right?

Mr. Broadbent: Reasonable profits.

Mr. Trudeau: So he is opposed to reasonable ones?

Some hon. Members: Oh, oh!

Mr. Trudeau: The hon. member has gone back into the history of President Kennedy and others and has said that they called in the steel industry. We did the very same thing: we set up the Estey commission, called in the steel industry and had an inquiry to which they responded. The hon. member did not like the report, but that is what we did.

● (1425)

I repeat the position of the government: the profits are welcome, but it is important that those who get the profit consider that the Canadian economic society as a whole has helped them to make that profit and, therefore, it should not only be for their shareholders nor, indeed, for their workers. If the workers can get an increased share of the profits, that is fine with the government. We just do not want these companies or corporations, particularly those which are regulated, to seek to justify higher rates by saying, "We need more money and we shall get it out of the consumer or make these profits". That is the position of the government. I should like to hear the Leader of the NDP state his position with regard to these profits.

* * *

[*Translation*]

EXTERNAL AFFAIRS

AGREEMENT BETWEEN CANADA AND UNITED STATES PREVENTING CANADIANS WITH CRIMINAL RECORD STAYING IN UNITED STATES—GOVERNMENT POSITION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the secretary of State for External Affairs.

On January 1, 1979 an agreement was concluded between Canada and the United States whereby every Canadian who has a police record, no matter how trivial or how old, is forbidden to enter the United States unless he obtains a special authorization certificate.

Can the minister substantiate this agreement with the United States and tell us if it is a one-way agreement or if the same thing applies to an American citizen who wants to come to Canada?

[*English*]

Hon. Donald C. Jamieson (Secretary of State for External Affairs): In view of the complexity of the question and the importance of answering it precisely, I would appreciate it if the hon. member would allow me to take it as notice. I will get a reply for him as quickly as possible.

Oral Questions

ADMINISTRATION OF JUSTICE

IDENTITY OF PERSON WHO RECEIVED DOUBLE PAYMENT UNDER BOEING CONTRACT

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Solicitor General. Yesterday, in reply to a question from the Leader of the Opposition as to the name of the person or persons to whom Boeing executed two consulting agreements in Canada, the Solicitor General clearly identified the recipient as a Boeing consultant who was working as a consultant of Boeing in Canada in connection with the sale of Boeing aircraft in this country.

The hon. gentleman has identified the recipient by his position. Would he now drop the other shoe and give us his name?

Hon. J.-J. Blais (Solicitor General): I purposely did not provide the name yesterday because there was no evidence of any impropriety in terms of the payment to that gentleman and I saw no purpose in providing the name.

Mr. McKinnon: I presume that if there was no impropriety, the gentleman would not mind his name being known in this respect. However, in yesterday's answer, as from today's, it seems clear that the Solicitor General knows the name of the person who received the double payment. Can he advise us whether there is any law in Canada against this practice, and did the hon. gentleman consult with the Minister of Justice to determine what charges might be laid?

Mr. Blais: Against what practice?

Mr. McKinnon: Against the practice this consultant engaged in, of taking two payments from the corporation for doing one job. In the deposition set out by the company itself in the District Court of Columbia, it is pointed out that the purpose of such a practice was to enable the agent to bank some of the money in foreign banks.

Mr. Blais: The hon. member did not indicate whether there is evidence that two payments were paid to the gentleman, and whether there were or not, the information I have is that all the allegations which were adduced before the SEC in the United States have been investigated, and the reply I have given in this House two days running still stands.

* * *

CRIMINAL CODE

INQUIRY WHETHER USE OF MARIJUANA TO BE LEGALIZED

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I have a couple of questions dealing with youth that I should like to address to the Minister of Justice. They arise from the answer he gave on Friday in response to a question dealing with marijuana.

Since as far back as 1972 all parties in the House have indicated their support for decriminalization in the case of

simple possession, why has the government failed to take any action, and why has it allowed Canadians to get criminal records in this area when the matter could have been cleared up by passing two orders in council, one under the Narcotic Control Act taking marijuana out of schedule 3 and another under the Food and Drugs Act putting marijuana into schedule G?

Hon. Marc Lalonde (Minister of Justice): I think the solution put forward by the hon. member is not as simple as he would like us to believe. Passing the orders in council might remove the possession of marijuana completely from the category of offences. Our position is that possession of marijuana should still remain an offence, though not one that would lead to retaining a criminal record.

● (1430)

Mr. Dick: Mr. Speaker, after passing two orders in council, if the minister then brought in a bill to make the offence subject to a civil penalty, or some other penalty he might contemplate which would not result in a record, does the minister not feel that it would pass very rapidly in this House?

Mr. Lalonde: Mr. Speaker, I am glad to see that the hon. member indicates his party would co-operate in a speedy consideration of a bill which might be introduced in this House. I will consult with the other parties. If the hon. member can assure me that he really speaks for his party when he speaks like he does, then we will be very happy to consult to see how fast we can proceed.

* * *

SPORTS

AUTHORITY FOR GRANT TOWARD DEVELOPMENT OF ARENAS FOR PROFESSIONAL HOCKEY

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is for the Minister of State (Fitness and Amateur Sport). On March 25, 1977, at page 4337 of *Hansard*, the minister was asked by my colleague, the hon. member for Athabasca, if her department had the authority—

—to grant funds for the upgrading for stadia used by professional teams of one kind or another?

Her reply was a definite no. Can the minister please explain where she suddenly gets authority to grant $18 million for development of hockey arenas for professional teams, while at the same time cutting $5 million in grants for amateur sport in Canada?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, naturally the authority comes from the cabinet. I want to make it quite clear—

An hon. Member: It never does.

Mrs. Campagnolo: —to the hon. gentleman that these are for municipally-owned and run arenas and not for privately-owned ones. The restriction is extremely clear, that unless these arenas are available to amateurs, the money will not be forthcoming.

Mr. Halliday: Mr. Speaker, perhaps the minister will show us her authority on some occasion. In 1977, when speaking at the Canadian National Exhibition on Sports Day, the minister asked herself the following question:

What role should the federal government, either alone, or jointly play with the provinces, relating to pro sport?

She answered her own question in this way:

An answer is necessary, not to have the authority to direct or control pro sport, but to help clear up the financial responsibilities on the amateur side of sports such as hockey, football, golf and baseball which are heavily professionalized.

What consultations has the minister had with the provinces which lead her to offer $18 million for professional sports in her efforts to assist amateur sports?

Mrs. Campagnolo: Mr. Speaker, I have had much consultation with the mayors of the cities involved—

Some hon. Members: Oh, oh!

Mrs. Campagnolo: —and their views are extremely well documented in all of their visits to me. Incidentally, for the hon. member's edification, he should consider that the WHA cities particularly have been under a Catch 22 provision in their attempts to receive and attract an NHL franchise. Catch 22 works like this: the NHL says to the WHA teams, "If you get some extra seating in your arenas, we will consider your application." We in the government say to them, and the provincial governments, in some cases, with the exception of Mr. Levesque who has found a new enchantment with federalism—

Some hon. Members: Oh, oh!

Mrs. Campagnolo: —"We will give you the seats if you get the NHL franchise." This government has taken an active step in removing that Catch 22 provision so that in consideration of any expansion of the National Hockey League there will be no impediment as to the number of seats that will be in the arena which, as I say, is municipally-owned.

Some hon. Members: Hear, hear!

* * *

CROWN CORPORATIONS

GOVERNMENT POLICY ON DISPOSAL OF CROWN CORPORATIONS

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the President of the Treasury Board. In Monday's Ottawa *Journal*, the president of Air Canada is quoted as saying that the government is considering selling Air Canada to the private sector. In that article, Mr. Taylor gave several good reasons why the government might make this decision.

In view of the fact these reasons could apply equally well to other Crown corporations, is the government prepared, or is it considering divesting itself of and selling off some of the 400-odd Crown corporations it now possesses?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, to the best of my knowledge, the government has made no decision at this time to sell of any of its present Crown corporations.

FINANCIAL CONTROL OVER CROWN CORPORATIONS

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, in view of that, and in view of the 1976 Auditor General's report which was highly critical of the degree of financial control over Crown corporations, which led to a Privy Council study which in turn led to a promise of amendments to the Financial Administration Act in the fall of 1977, my question to the President of the Privy Council is: Where is the bill? Where are the amendments to the Financial Administration Act so that we might try and straighten out this mess which the Auditor General pointed out three years ago and which is costing Canadian taxpayers millions?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I can assure the hon. member that the bill is not on the order paper, nor do I expect to put it there in the near future.

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[*Translation*]

SOCIAL SECURITY

REASON QUEBEC NOT CONSULTED RESPECTING AMENDMENTS TO FAMILY ALLOWANCES ACT

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare.

With reference to Mr. Denis Lazure's statement that the Canadian government is penalizing Quebeckers who are social welfare recipients, is it true that the child tax credit is penalizing these Quebeckers, how much money is the province of Quebec losing this way, and why was the province of Quebec not consulted before the relevant amendments to the Family Allowances Act were introduced?

Hon. Monique Bégin (Minister of National Health and Welfare): On the contrary, Mr. Speaker, the child tax credit is to the advantage of mothers who are on social welfare, for they will provide Quebec mothers with $60 million more in 1979. On the other hand, 75 per cent of all Quebec mothers are fully or partly entitled to the payment of this new cheque.

This program is associated with the federal tax system and does not work to the detriment of Quebeckers, and as a minister whose province of origin is Quebec, I can assure the hon. member that the problem is essentially that of a province which wants to collect from the poor and destitute the money which is paid directly to Canadian citizens.

* * *

[*English*]

CONSUMER AFFAIRS

PASSING OF SALES TAX CUT TO CONSUMERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In November, the government cut the manufacturing sales tax by 3 per cent and, in essence, handed over $1 billion to the corporations. Statistics Canada said today the industry selling price index for manufacturing was up 10 per cent this year over last year.

The minister said on January 23 when we questioned him in the House that he would look into this matter to see whether or not the sales tax cut was passed on to consumers. Can the minister tell the House what specific action the government is taking to make sure the sales tax cut is passed to consumers as intended?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I pointed out when I answered the question on a previous occasion, the inventories that are benefiting from the tax cut only came on the market about the middle of January; they were not on the market before Christmas, as alleged in the question the hon. member put earlier and as the Canadian Consumers' Association alleged.

Since these inventories came on the market only recently, we are watching them closely through the 50 offices of our department across the country, and by working with CSIP which has the analytical manpower to analyse any situation which seems to be out of line. Thus far, we have received very few complaints with respect to the fact that the cuts are not being passed on.

I might say that prior to the end of the year the AIB wrote to all of the companies reporting to it, asking how they intended to pass on this tax cut. That information was provided to the Minister of Finance. Most companies set out their plans. We are watching the situation closely now. So far we have had no information that they are not, but it is too early to judge.

Mr. Nystrom: Mr. Speaker, again I ask the minister what mechanism the government is going to set up to make sure that this is enforced. In some cases, for instance, car prices were cut in December, but were raised by some companies in January. What mechanism is the government going to use to make sure these sales tax cuts are actually enforced, in view of complaints made by the Consumers' Association and others?

Mr. Allmand: Mr. Speaker, the mechanism was set out by the Minister of Finance in his budget when he announced the tax cut. Our department will act as the eyes and ears, taking in information from across the country. CSIP will be the group which will analyse the information and report, after their

analysis, whether the cut is being passed on or not. If it is not being passed on, we intend to make that public, jawbone, and press for the passing on of the tax cut.

* * *

• (1440)

THE CANADIAN ECONOMY

GOVERNMENT'S FORECAST OF REAL GROWTH

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question to the Minister of Finance flows from his speech in Toronto on Monday in which he revised upward his estimate of inflation in the country. He indicated that the government's high interest policy, plus its failure to control inflation in the country, are likely to, and I quote, "have negative implications for our economic growth". Is the minister also revising downward his real growth forecast?

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): The answer is no, Mr. Speaker.

[*English*]

STEPS TO NARROW CURRENT ACCOUNT DEFICIT

Mr. Joe Clark (Leader of the Opposition): The minister will know that Governor Bouey of the Bank of Canada took the opportunity yesterday to repeat very strongly his view that Canada's current account deficit is too large. Can the Minister of Finance tell us if he has any new steps in mind to narrow the current account deficit, steps that have not been announced in the House?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I presented a budget on November 16 last which gave a lot of stimulus to the industrial sector in order to make it more competitive. I have made many speeches urging Canadians to ensure that the competitive advantages we have gained through the devaluation of the Canadian dollar are maintained. I have stated that if Canadians show restraint and responsibility in not asking for too much compensation or too big a profit, and if the profits are invested in a more productive and more competitive capacity, the gain we have made lately in the current account will improve. Last year we had a record surplus in trade of $3.5 billion. We expect it will be higher in 1979.

Mr. Clark: Mr. Speaker, the minister did bring in a budget last November. His forecasts then were wrong, as his forecasts have always been wrong. Yesterday, Governor Bouey indicated to the economic affairs committee of this House that he believes he has done all he can on the monetary side and that fiscal policy is up to the Government of Canada.

In light of the failure of the government's fiscal policy to stop the fall of the Canadian dollar, will the minister tell us if he is planning any changes in fiscal policy and, in particular, in light of the failure of the November budget can he tell us if he is giving any consideration to the preparation of a spring budget?

Mr. Chrétien: Mr. Speaker, the measures of the last budget were well received and we can now see the effects of them. There is a lot more economic activity in the land. In the past 12 months, 455,000 new jobs have been created for Canadians. As Governor Bouey said yesterday, he can only reply with regard to the monetary policy, and the fiscal policy is the responsibility of the Minister of Finance. After the crying of last week, it was noticed by everyone that the Leader of the Opposition failed to appear to question Governor Bouey.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: The minister well knows that the understanding was that if the Prime Minister was prepared to show up as a witness, I would be there to question him.

Some hon. Members: Hear, hear!

Mr. Clark: My question to the minister is this. The governor indicated he has done as much as he thinks he can do with regard to monetary policy. He indicated we have very serious problems with the dollar. He suggested, although he is, quite properly, not going to comment on fiscal policy, that remedies lie on the fiscal side. Is the Minister of Finance, who is responsible for fiscal policy, planning any fiscal initiatives, or is he going to let the dollar keep on falling?

Mr. Chrétien: Mr. Speaker, the governor is not called upon to make comments on fiscal policy. However, when the opposition insisted, he said very clearly that if I were to increase the deficit as proposed by the opposition, the situation would get worse. He said that if I were to accept the proposition of the hon. member—the professor—who has indicated we should have a lower interest rate, the effect would be to have a weaker dollar. The governor said there is some alternative. We could raise taxes. At the same time, he said that if we were to do that, it would have a negative effect on the economy.

Fiscal policy calls for judgments. We have made them. The economy is doing much better. If I were to follow the phantom deficit policies of the opposition, the dollar would be lower than ever. I think we have followed the best policy possible at this time. That is why many sectors of the Canadian economy have been operating at full capacity.

Some hon. Members: Hear, hear!

PRIVATE FORECASTERS' ESTIMATE OF REAL GROWTH

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is also for the Minister of Finance who, not having been in attendance at the standing committee meeting yesterday, obviously knows as little about what the governor said to that committee as he knows about the economy itself. My question is centred on the minister's statement to my leader

that he anticipated a real growth as he had set out in the November budget, of 4 to 4½ per cent.

Is the minister aware that private forecasters feel that is an excessive forecast? In fact, Wood Gundy, in their latest study, said that they believed real growth will be 2.6 per cent this year. If that is so, why does the minister persist in overstating real growth figures, only to be proven wrong in months to come?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the hon. member knows that it is quite difficult to forecast. Last year I was in agreement with the hon. member for Ottawa Centre in forecasting 5 per cent. The hon. member should talk with him.

[*Translation*]

I said, Mr. Speaker, that there is no need for me to revise my forecasts at this time because in the last two weeks we have had occasion to meet Canadian businessmen and in the course of our conversations with representatives of all sectors of the Canadian economy, from the east to the west, they told us that, despite the decrease forecast in the economic growth in the United States, their order books for their American clients are full, and that a confidence exists in the market that is nowhere to be found at this time in the ranks of the opposition.

[*English*]

Mr. Stevens: Mr. Speaker, my second question will be to the minister's superior, the President of the Board of Economic Development Ministers. On February 1 last, the minister, in explaining his gifts or proposed gifts to certain members of the forest products industry in this country, stated with regard to their good cash flow to which he referred and their good profits:

> It is very much related to the temporary situation with regard to the Canadian dollar, a competitive advantage they enjoy now but one which I do not think anyone anticipates may last very long—

What substantive evidence does the minister have to give us that that is a fact, that the Canadian dollar is only temporarily low at the present time?

Hon. Robert K. Andras (President of the Board of Economic Development Ministers): Mr. Speaker, there are many people in the world who think that the Canadian dollar represents a figure that is undervalued and is, therefore, very attractive. In speaking to the forest products industry and quoting their own views, in making serious decisions about investments down the track and plants to come on stream two, three or five years hence, they quite wisely would prefer not to count on what I think is a temporary competitive advantage related to the Canadian dollar.

It is a very logical argument that they share, that they do not want to make forward investments of the magnitude that are required, in the neighbourhood of $3 billion, over the next five to seven years on that assumption.

• (1450)

COMMUNICATIONS

USE OF EARTH STATIONS BY CABLE TV OPERATORS IN REMOTE AREAS

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, my question is for the Minister of Communications. In view of the announced plans of the Department of Communications to experiment with individual roof-type earth stations on some homes in certain rural areas of Canada, can the minister tell the House whether this experiment may also be broadened in such a way as to allow cable TV operators in isolated areas such as northern Ontario to utilize suitable earth stations and thereby provide a much wider range of TV viewing choices to their subscribers?

Hon. Jeanne Sauvé (Minister of Communications): Yes, Mr. Speaker, that kind of experiment is designed precisely to allow people in remote areas to receive broadcast signals directly from the satellite to their homes. The reason Canada developed that particular technology through the Hermes satellite was in order to allow remote areas of the country to participate in the full development of this country.

However, at the present time, there is a need for more considerable use of the satellite for broadcasting, and cable operators and others are actively putting together broadcast programs for it. When this is done, the liberalization of the earth station policy will help all these regions to acquire this service at relatively low cost. The answer to the hon. member's question, in short, is that that is exactly the purpose of the experiment.

* * *

POST OFFICE

POSTAL WORKERS WHOM MINISTER WOULD FIRE—UNION AFFILIATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Postmaster General. The House will recall that the last time I asked him a question regarding what he felt was a need to fire some 500 postal workers in order to bring about efficiency in the Post Office, the minister wiffled and waffled: he said the number could be 100 or 1,000.

I do not want to charge the minister with seeking sensational press in order to antagonize unions or bamboozle the public, so I will ask him to come clean with the Canadian public. Has the minister a list of such persons and, if he does, does he know the unions to which they belong? That is a simple question which does not call for any long, rhetorical answers, which is what I usually get.

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, I do not think I can answer the question, because of the way it was put. The hon. member for Hamilton West is a lawyer from a working town, and I would like to take this

occasion to correct what he said the other day on a point of order. He said that the Post Office is under a closed shop status. There is no such thing as a closed shop at the Post Office. Postal workers are covered by the Rand formula, and that is the information I must give the hon. member. If they were covered by a closed shop, every time a union suspends a postal worker we would have to suspend him from work at the same time, and this is what CUPW has asked.

With regard to the 500 workers we are supposed to fire, I gave an answer to that the other day which I think was very simple. In a telephone conversation with the media, I said the number could be 100, 500 or 1,000. My job is not to defend workers or management; my job is to see that both fulfil their responsibilities, and that is the job I am doing at the moment.

Mr. Alexander: Mr. Speaker, I think I can now charge the minister with seeking sensational press in order to antagonize the unions and bamboozle the public. I related to the minister reports of pilfering, smoking pot, drinking and goofing off, and these reports have not been challenged. The reports indicate that the minister finds that he cannot correct these situations because of the rules.

Is the minister now telling the Canadian people that because of present rules, supervisors and managers find their hands are tied and that they are unable to manage efficiently and effectively? In other words, what is the sense of having a department if it cannot be controlled?

Mr. Lamontagne: Mr. Speaker, the hon. member should know that we live in a democracy and not under a dictatorship. We try to see that our workers work well, but when we see headlines in the newspapers such as the one we saw this morning, "Post Office ordered to rehire two accused of drug trafficking", we have to accept judges' decisions in these matters. We do not like it, but we have to accept them. We have to abide by the rules of democracy.

However, as far as I am concerned, there is no backing off. If postal workers do not want to fulfil their responsibilities, and if they do not want to work honestly, we will see that they get out of the Post Office.

* * *

[*Translation*]

URBAN AFFAIRS

INQUIRY WHETHER CMHC WILL CONTINUE TO DEAL DIRECTLY WITH MUNICIPALITIES AND COUNTY COUNCILS WITHIN RRAP

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of Public Works and Minister of State for Urban Affairs. I should like to ask the minister if the changes that were made and are continuing to transform the Central Mortgage and Housing Corporation will result in authorizing it to negotiate directly with municipalities or county councils in the case of the RRAP?

[Mr. Lamontagne.]

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I believe the traditional responsibility of the Central Mortgage and Housing Corporation is to help and support the construction of housing in Canada and in particular to renovate and rehabilitate housing. Whatever changes have been made in the administration of the corporation, that responsibility remains intact. On the other hand, as far as dealing directly with the municipalities is concerned, the CMHC powers have neither been increased nor, in fact, decreased. The Canadian government recognizes that municipalities are primarily a provincial jurisdiction and it intends to respect that jurisdiction.

Mr. Lambert (Bellechassse): Mr. Speaker, in view of the fact that this policy is continuing and that many applications for home renovation are pending, particularly in the rural areas I am more familiar with, could the minister indicate whether much more funds will be made available to those responsible for the implementation of this program so as to permit—for spring is coming, hopefully—a boom in the construction industry in order to create jobs while enabling a great many families to upgrade their homes?

Mr. Ouellet: Mr. Speaker, the government is fully aware that we alone cannot meet the needs in housing renovation. For this reason we have proposed to amend the Central Mortgage and Housing Corporation Act to allow the private sector to step in and extend loans to people who wish to upgrade their home. These loans could be guaranteed by the government through the Central Mortgage and Housing Corporation. I hope the hon. member and his colleagues will give Bill C-29 quick consideration when it is before the House.

* * *

[*English*]

THE CANADIAN ECONOMY

STATEMENT BY GOVERNOR OF BANK OF CANADA ON CURRENT ACCOUNT DEFICIT—FORECAST OF MERCHANDISE TRADE BALANCE

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is to the Minister of Finance. We were wondering where he had gone or where he could be. Was he not with us because he can't stand the fuss without getting briefed by Bouey?

Some hon. Members: Oh, oh!

Mr. Crosbie: I do not think he was briefed by Bouey, because of the inaccurate statements he made, but I want to ask the minister this: Since Mr. Bouey has said that progress in reducing the current account deficit in international trade will help return confidence in Canadian currency in international markets, and in view of the minister's forecast of last June 1 that our merchandise trade balance would be $5 billion in 1978, and his forecast on September 28 that it would be $4 billion and the forecast by the Minister of Industry, Trade and

Commerce in December, still that it would be $4 billion and afterwards it turned out to be $3.52 billion, would the minister now give the House his estimate of our merchandise trade balance, what it is likely to be for 1979?

Would he also give his estimate of what our definition on the current international account is likely to be in 1979, not his Mickey Mouse forecasts but an honest forecast?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, it was probably because the hon. member was too much of a poet that he had to leave this job as minister in Newfoundland.

In the forecasts I made in September at my press conference here, I said that the trade surplus would be between $3.5 billion and $4 billion. It turned out to be $3.52 billion. The hon. members should read both parts of the press statement I made in September. I said $3.5 billion to $4 billion. I think that is a record surplus, and I said earlier today that the surplus next year will be even bigger than that for this year. It will be another record.

At the same time, I think we have to make sure that we maintain a very competitive position with our products. That is exactly what we are trying to do at this time. We have gained much in the last little while. We are doing very well with the fisheries of Newfoundland, with wood products, with pulp and paper, with steel, with shoes and with textiles, and I think that the economy is doing pretty well at this time.

● (1500)

Mr. Crosbie: Mr. Speaker, every time the minister does not answer, he only shows in what complete chaos his department is.

In view of the fact that the increase in the trade surplus last year was $600 million, but that everybody forecasts an increase in the current account deficit of at least an additional $400 million, something in the area of $4.5 billion, despite the $600 million increase in the trade surplus, which indicates that we need to gain at least an additional $1 billion this year in our merchandise trade surplus to stay where we are in our current account deficit, can the minister now give us his estimate, or the estimate of the president of the board of economic eunuchs, or whoever's estimates, of what these figures are likely to be this year, not the wild forecasts of last year? Will he answer the question I ask him on the estimates of this year, not the pack of nonsense he got off with last year?

Mr. Chrétien: I have to repeat for the third time today, Mr. Speaker, that the trade surplus for 1979 is predicted to be more than $3.5 billion.

Order Paper Questions

ROUTINE PROCEEDINGS

[*English*]

JUVENILE DELINQUENTS ACT

RESPONSIBILITY FOR WILFUL DAMAGE CAUSED BY JUVENILES

Mr. Bob Kaplan (York Centre) moved for leave to introduce Bill C-459, to amend the Juvenile Delinquents Act (restitution for wilful damage).

He said: Mr. Speaker, the council of North York, and its mayor Mel Lastman, have expressed concern about the growing damage caused by vandalism by juvenile delinquents. The purpose of this bill is to make parents or adults responsible for juvenile delinquents responsible for making restitution for the damage they do.

Some hon. Members: Hear, hear!

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 172, 471, 653, and 860.

[*Text*]

PAYMENTS TO PORT AUTHORITIES

Question No. 172—**Mr. Forrestall:**

For the year (a) 1976 (b) 1977, what amount was paid to each member of the Port Authorities at (i) Halifax (ii) Saint John (iii) Quebec (iv) Montreal?

Hon. Otto E. Lang (Minister of Transport): The National Harbours Board advises as follows:

(i) Halifax	(a) 1976	(b) 1977
G. E. Simmons	$5,850.00	$3,021.43
K. R. Schnare	1,300.00	942.31
J. W. E. Mingo	1,150.00	1,400.00
F. H. Howard	1,200.00	735.71
P. C. Fralic	1,200.00	1,350.00
D. A. Mosher	1,350.00	1,300.00
A. C. Huxtable	1,250.00	1,300.00
W. L. Single	1,150.00	1,350.00
F. M. Weston	850.00	885.71

Three port authority members were appointed to the port executive committee effective April 14, 1977, and received the following additional remuneration:

	1977
G. E. Simmons	$5,734.54
F. H. Howard	3,584.05
F. M. Weston	3,584.05

(ii) Saint John	(a) 1976	(b) 1977
F. G. Elkin	$5,150.00	$3,012.99
C. E. Brownell	1,850.00	1,431.47
A. D. Case	2,250.00	1,702.50
T. C. Frink	1,700.00	1,381.47
P. W. Oland	1,750.00	1,331.47
R. R. McCain	1,000.00	

Five port authority members were appointed to the port executive committee effective May 18, 1977, and received the following additional remuneration:

	1977
F. G. Elkin	$4,814.48
C. E. Brownell	3,009.06
A. D. Case	3,009.06
T. C. Frink	3,009.06
P. W. Oland	3,009.06

(iii) Quebec	(a) 1976	(b) 1977
E. J. Brennan	$1,716.66	1,583.34
J. Fortier	2,250.00	2,787.50
P. M. Gourdeau	1,616.16	1,433.34
G. Lamontagne	1,416.66	1,078.51*
P. Langlais	1,866.66	1,833.34
J. C. Morissette	1,616.66	1,833.34
A. Trottier	1,516.66	1,483.34
I. C. Pollack	2,933.32	5,266.68
D. Vandry	1,516.66	1,483.34

* Payments up to May 24, 1977 only.

(iv) Montreal	(a) 1976	(b) 1977
R. Strauss	$2,450.00	$2,500.00
J. Carton	2,400.00	2,600.00
A. C. Pathy	2,350.00	2,350.00
A. E. Masters	2,300.00	2,400.00
L. R. Desmarais	2,500.00	2,450.00
Y. Lamarre	2,400.00	2,400.00
A. Desautels	2,500.00	2,400.00
R. Trudeau	2,450.00	2,550.00
J. L. Thom	2,450.00	2,550.00
J. M. St-Onge	2,500.00	2,500.00

Four board members served on the executive committee of the port of Montreal and received the following remuneration:

	1976	1977
R. Beauchemin	$3,865.00	$8,926.00
J. M. Chabot	5,154.00	5,580.00
I. C. Campbell	2,577.00	5,156.00
R. Boyer	—	1,298.00

CONTRACT AWARDED TO WARREN F. LEE

Question No. 471—**Mr. Wise:**

With reference to the answer to Question No. 1,793 of the Third Session of the 30th Parliament, for what reason was Warren F. Lee given $2,533.44 "to package numerous pieces of research in suitable manner for publication" instead of having the Department of Agriculture's Information section package the material?

Hon. E. F. Whelan (Minister of Agriculture): Warren F. Lee was contacted to prepare a research monograph integrating existing independent research papers on a variety of topics related to long-term farm finance policy. The objective was to provide a coherent work as a basis for public awareness and debate on the issues involved. An article based on the resulting paper will be published in the Canadian Farm Economics.

Mr. Lee had the necessary experience and expertise in the field of farm finance which was not available from information services of this department.

GRANTS FOR EDUCATION IN N.W.T.

Question No. 653—**Mr. Firth:**

What was the amount of money allotted to the Government of the Northwest Territories by the Department of Indian Affairs and Northern Development for (a) primary and elementary (b) secondary (c) university (d) college or vocational Native education in 1977-78 and what is the estimate for 1978-79?

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development): The annual operating grant for the Northwest Territories government is not given on an allocated basis. It is therefore not possible to identify how much of the grant is used by the territorial government for educational purposes.

FARM CREDIT CORPORATION

Question No. 860—**Mr. Stevens:**

From January 1, 1975 to date, what lawyers in the Constituency of York-Simcoe were retained by the Farm Credit Corporation and, by year, what aggregate amount of mortgage funds were advanced by each of the lawyers listed and what amount in fees was paid to each?

Hon. E. F. Whelan (Minister of Agriculture): Farm Credit Corporation replies as follows: lawyers retained by Farm Credit Corporation in the constituency of York-Simcoe from January 1, 1975 to date are:

Thomas D. McPherson,
Aurora — York County

Edwin J. Myers,
Barrie — Simcoe County

Mortgage funds advanced:

	1978-79*	1977-78	1976-77	1975-76**
By Myers	$4,738,900	$5,414,700	$2,063,700	$4,206,000
By McPherson	767,000	821,000	465,700	594,300

* April 1, 1978 to December 31, 1978.
** April 1, 1975 to March 31, 1976. Prior to April 1, 1975, information not available.

Fees paid to lawyers in the constituency of York-Simcoe by Farm Credit Corporation are paid as follows: (i) by the borrowers upon their direction out of the proceeds of the

mortgage loans, in which case Farm Credit Corporation does not maintain records of amounts so paid; and (ii) by Farm Credit Corporation on mortgage proceedings—Nil.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if question No. 621 could be made an order for return, that return would be tabled immediately.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Text*]

STUDIES OF COWICHAN RIVER, VANCOUVER ISLAND

Question No. 621—**Mr. Munro (Esquimalt-Saanich):**

1. In the past ten years, how many studies of the Cowichan River on Vancouver Island, British Columbia, has the Department of Fisheries and of the Environment (a) contracted out (b) undertaken itself and, in each case (i) on what date was it commissioned and for what purpose (ii) what organization or person was charged with carrying it out (iii) what was its total cost?

2. What are the boundaries of the "fish habitat" on the Cowichan River and what further areas are necessary to the development of fish stocks on the River?

3. What studies are (a) currently underway (b) being planned in regard to the Cowichan River?

Return tabled.

* * *

STARRED QUESTION

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, would you be good enough to call starred question No. 526.

Mr. Speaker, because of the length of the answer to the starred question, I ask the consent of the House to have this printed in *Hansard* as if read.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

[*Text*]

*SHIPS OPERATING GULF FERRY SERVICE

Question No. 526—**Mr. Muir:**

1. What are the names of the ships operating the Gulf Ferry service to the Province of Newfoundland?

2. What is the classification of each ship, as to ownership, charter, crew and cost per day?

[*Editor's Note: The answer to the question is the following:*]

[*Text*]

1. The names of the ships operating in the Gulf ferry service to the province of Newfoundland are:

A. M.V. Frederick Carter

B. M.V. Sir Robert Bond

C. M.V. Marine Nautica

D. M.V. Marine Atlantica

E. M.V. Stena Nordica (summer only)

2. The classification of each ship as to ownership, charter, crew and cost per day is:

A. M.V. Frederick Carter

(i) owned by D.O.T., Canadian flag vessel.

(ii) not chartered.

(iii) Canadian crew.

(iv) no charter costs for this ship.

B. M.V. Sir Robert Bond

(i) owned by D.O.T., Canadian flag vessel.

(ii) not chartered.

(iii) Canadian crew.

(iv) no charter costs for this ship.

C. M.V. Marine Nautica

(i) owned by Stena Line A/B of Gothenburg, Sweden, Swedish flag vessel.

(ii) bareboat chartered.

(iii) Canadian crew.

(iv) charter costs per day are $8,682 Canadian dollars.

D. M.V. Marine Atlantica

(i) owned by Stena Line A/B of Gothenburg, Sweden, Swedish flag vessel.

(ii) bareboat chartered.

(iii) Canadian crew.

(iv) charter costs per day are $8,682 Canadian dollars.

E. M.V. Stena Nordica

(i) owned by Stena Line A/B of Gothenburg, Sweden, Swedish flag vessel.

(ii) bareboat chartered.

(iii) Canadian crew.

(iv) charter cost per day $14,335 Canadian dollars.

Point of Order—Mr. McKenzie

[*Translation*]

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

* * *

[*English*]

POINTS OF ORDER

MR. McKENZIE—DELAY IN ANSWERING QUESTION NO. 238

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, on October 17, 1978 I placed a question on the order paper, question No. 238. The question was:

As of March 31, 1978, was there an excess of $9 billion in the public service superannuation account and, if so, (a) in what instruments was the $9 billion invested—

We will be debating Bill C-12 today or tomorrow which has to do with pensions and indexing, one of the most important topics of discussion in Canada today, yet we do not have the proper information from the government to debate this bill.

To confuse the matter further, the hon. member for Ottawa West (Mr. Francis) is distributing literature in Ottawa stating:

—there's over $9 billion in the superannuation account of the Government of Canada at this stage.

He goes on to say:

There is a serious question about the fund itself being overfunded and within a very short time the Government of Canada is going to be embarrassed by the amount of money in the fund.

Mr. Speaker, we do not have any of this information. Also there are news reports, one of which appeared in the Winnipeg *Free Press* on January 27, stating:

Lloyd Francis, Ottawa West, said the superannuation fund, by the government's own figuring, could reach $40 billion by 1980 and $1.2 trillion by the year 2025.

This is not the time to be kidding people or misinforming Canadians, civil servants or the opposition about pension funds. This question should be answered immediately. My question has been on the order paper since October 17. I think we deserve an answer today from the parliamentary secretary, the President of the Treasury Board (Mr. Buchanan) or the Minister of Finance (Mr. Chrétien) as to why they are refusing to answer the question, so we can properly debate the bill which will be put before us today or tomorrow.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, we always do our utmost to answer as completely as possible all questions asked and on the order paper. We try to provide as complete an answer as possible, regardless of House business. Therefore I want to assure the hon. member that his question will get the same treatment as all other questions, and that we will try and provide an answer as quickly and as completely as is feasible. However, as the hon. member is aware, there are hundreds of questions on the order paper which often require lengthy research as almost forty departments, agencies and Crown corporations must be contacted.

[Mr. Speaker.]

[*English*]

Mr. McKenzie: On a further point of order, Mr. Speaker, it is apparent that this government is supplying some kind of information to one of its own members, namely, the hon. member for Ottawa West, but not supplying us with this information—

Mr. Speaker: Order, please. I thought the hon. member made that point when he was on his feet a moment ago.

MR. NIELSEN—AMENDED TERMS OF REFERENCE OF STANDING COMMITTEE ON JUSTICE AND LEGAL AFFAIRS

Mr. Erik Nielsen (Yukon): I have a brief point of order in the form of a question to the parliamentary secretary. Now that the House has unanimously passed the motion to concur in the second report on the Standing Committee on Justice and Legal Affairs, which we did last evening, calling for expanded terms of reference for that committee, can the parliamentary secretary indicate when the government will bring forward those amended terms of reference so as to enable the subcommittee on penitentiaries to be reconstituted and to visit the major institutions in this country?

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, we will review the text of the motion passed yesterday by the House and examine it in depth, study it, and see whether or not the committee should be given the authority to re-establish the subcommittee and give the specific mandate to the subcommittee on penal institutions to conduct an inquiry across the country. But beforehand we must examine the contents of the motion passed yesterday evening and the terms of the report adopted by the House; only then will we be able to decide whether the committee ought to be set up and whether it is necessary to do so.

[*English*]

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

Some hon. Members: Agreed.

* * *

[*Translation*]

MOTIONS FOR PAPERS

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

[*English*]

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

HEALTH RESOURCES FUND ACT

MEASURE TO AMEND

The House resumed from Monday, February 5, consideration of the motion of Miss Bégin that Bill C-2, to amend the Health Resources Fund Act, be read the third time and do pass.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I appreciate the opportunity to speak on Bill C-2, the Health Resources Fund Act, which is to help provinces build better health training facilities. I see this bill as a microcosm of the problems we face in our country today. Here is a bill that came about as a result of a commitment which the federal government made to the provinces some 13 years ago. The particular agreement has another two years of life left in it. Before the time limit expired, the government withdrew its commitment and said, "We are going to terminate it before it is finished". That is a microcosm of the problems we face in the country today.

● (1510)

Yesterday the first ministers completed their meeting which was held just across the street from Parliament Hill. It was evident from watching and listening to the proceedings that one of the greatest problems we face today is associated with trust. The Canadian public has no confidence in the government because it has had too many successive agreements with provincial governments which have been broken before the ink dried. Perhaps the government can justify itself and say that the life of the agreement has been almost spent. Nevertheless, it is the principle of the thing. As the hon. member for Athabasca (Mr. Yewchuk) pointed out, the government unilaterally breaks agreements and cuts off the funding to the provinces.

Because of this example, when a provincial minister of health enters into any new agreement with the federal government, he becomes somewhat gun shy. That was evident on television yesterday when we watched the first ministers taking part in their discussions. The fundamental problem was that we cannot accept the word of the government at face value. We do not know how long an agreement will last. Will the government unilaterally cut off an agreement when it sees fit? Once the government has received what it wants out of a bargain, will it cut off its share of the funding? It is a typically centralist view of the government that it will establish a program because the omniscient central government knows best what should be happening across the country. It knows what the health standards ought to be in each of the provinces. Thus, the government designs a policy for the provinces, helps to fund it, and after a few years when the provincial governments are depending upon that funding and are hooked, unilaterally the federal government withdraws. No provincial government wants to enter into agreements of any kind with the federal government when that happens.

Having seen what the Minister of National Health and Welfare (Miss Bégin) tabled in the House, naturally I was very interested in the speech she made in Vancouver. I have a copy of the minister's speech which was made on January 16, 1979 to the Association of Professional Economists of British Columbia. It is entitled: "The Prophets of Doom are Wrong". The last paragraph on page one reads as follows:

> A favourite expression of the prophets of gloom and doom is "conservative backlash". Okay, let's look at this idea. The truth is that people don't like paying taxes, and when they do pay them, like to see that the money is well spent. So far, so good. That's as it should be. But people do not want us to cut down on government services, and in particular they don't want us to cut back on health and welfare benefits. On the contrary, Canadians welcome each new move to improve these benefits. I have heard this not once but hundreds of times from people across the country. What Canadians are saying loud and clear is that they have confidence in the future of this country. The difficulties of these past few years have not diminished their pride and compassion.

I should like to underscore the following sentence:

> But people do not want us to cut down on government services, and in particular they don't want us to cut back on health and welfare benefits.

That is what the minister said in Vancouver, but she did not tell those economists that legislation cutting back on health research programs in the provinces had been tabled in the House. The minister cannot have it both ways. She should have said in Vancouver the same thing she said here. The minister's distemper is showing somewhat, and I do not blame her; but at least she could do the House and Canada a service by being consistent in her statements.

At page 2 the address continued:

> Some of the blame for this current of reactionary hysteria has to be taken by the official opposition in parliament.

I want to remind the minister that it was not the official opposition which tabled this bill. The official opposition did not cut off the $83 million to the provinces. The official opposition did not make the announcement last August 1 which led to this legislation. Yet the minister wants to blame the official opposition for the legislation. The minister continued:

> What makes the opposition's role troubling is, first, that they are highly visible, and second, that I don't think they are being completely candid.

I suggest that is the pot calling the kettle black. I remind the minister that perhaps one of the functions of the opposition is to be highly visible, especially concerning issues such as this one when the minister is not dealing candidly with Canadians. A few months from now when the minister is on this side of the House, she will know what it is like and she will do the same thing.

Mr. Danson: We will have a majority.

Mr. Friesen: The Minister of National Defence (Mr. Danson) will be dancing to another tune in a few months.

At page 6 of the minister's address, this appears:

Poverty isn't as blatant as it was when I taught school in a poor neighbourhood in Montreal. But it is there all the same. When medical researchers looked into conditions—

Because of the legislation being brought forward by the government, very soon there will be no medical researchers in Canada; they are going south. In fact, doctors are leaving my constituency and going to Portland because they want some freedom in which to operate; I do not mean that as a pun. Canada now places something like fourteenth among western countries in its commitment to any kind of research, yet the government has introduced more cutbacks. The minister will not have to worry very long because there will be no medical researchers left in the country. The address continued as follows:

When medical researchers looked into conditions in a single poor school district in Montreal a short while back they found that 21 per cent of the kids were retarded in physical development, 28 per cent retarded in physical-mental co-ordination, 39 per cent had family histories of diabetes and 20 per cent had family histories of tuberculosis. These are things you can measure scientifically, but there are harder to measure troubles for poor kids ranging from violent crime to depression to early death or suicide.

I agree that those are problems requiring attention. Pray tell, why is the minister cutting back funding which would provide for greater medical research in the province of Quebec? Such research would help the people who are facing the crises to which the minister referred. The illogical position in which the minister has placed herself staggers the imagination. On the one hand she said that we have inhuman medical problems in the schoolyards of our provinces. On the other hand she said that the government will cut back on medical research funding to the provinces. This cutback means that the provinces will not be able to provide the necessary health services to reduce illnesses.

At page 6 the last paragraph reads as follows:

The government did not feel it could wait for better times to take action. We began with the knowledge that the three major federal programs for children were weighted in favour of upper income families. These programs—the family allowances, child tax exemptions, and the $50 tax credit—actually brought more benefits to families with incomes of $50,000 than to families earning less than $5,000.

The money diverted from the federal coffers to the provincial coffers to be invested in medical research became somewhat anonymous. One really could not identify which dollars were federal, provincial or from private industry. There was not enough of a visible label for people to identify this as money coming from the federal government.

● (1520)

As the minister said, the government could not stand idly by, so rather than having that money come from the federal government to the provinces anonymously the government found a way by which it could be identified as coming from the Liberal government. What the government did was cut back on the family allowance from $28 to $20 and institute a child tax credit program. Now every family in the country knows when it gets that $200 cheque, or the $20 a month, not computing the amount on their little pocket calculators and, therefore, not realizing they are getting no more than before, that this money is coming from the federal government. The government hopes they will show their gratitude to the federal government at the next federal election now that the unanimity has been erased. People in Quebec, British Columbia, Saskatchewan, P.E.I. and Newfoundland will know when they receive these cheques, supposedly to help with their medical problems, that the money is coming gratuitously from the federal government. I know the people of Canada are sufficiently sophisticated that they will know this is an attempt to buy them, and they will not allow themselves to be bought in that way. They will just not allow that to happen.

I recall that just a few weeks ago, before the Christmas break, the minister had an interchange with the hon. member for Athabasca regarding health services for Indians. She said that Indians were not going to lose any of the medical benefits to which they were accustomed. I happen to know that if you go to some of the ridings in British Columbia you will find that native Indians have indeed lost some of the medical services to which they have been accustomed. I know that clinics have been shut down because of inadequate funding. Because these clinics now do not have sufficient staffs, this department is flying nurses into the areas. Given the kind of weather they experience along the course—

Miss Bégin: Mr. Speaker, I rise on a point of order. I would like to ask whether the hon. member is speaking of Bill C-2 which cancels two years before its end the health resources fund which has been used to a degree greater than 88 per cent in British Columbia. It has nothing to do with medical services. I want to put on record the fact that no medical services were ever cut in British Columbia or in any other place in the country.

An hon. Member: He doesn't know what he is talking about.

An hon. Member: Except for Indians.

Miss Bégin: No, that is not true.

Mr. Friesen: I notice that the Minister of National Health and Welfare is getting her prompting from the Minister of State (Environment) (Mr. Marchand). Obviously she was occupied in trying to make sure the hon. member for Spadina (Mr. Stollery) received enough help to get re-elected, and now that she knows that is not going to work she has entered into a discussion with that minister and is taking his prompting in order to enter into this discussion. I should like to point out that I am not talking about the province of British Columbia; I am talking about the responsibility she has to provide medical services at those clinics serving Indian reserves. That is not the responsibility of the province of British Columbia, it is the responsibility of her department. She has cut back on that funding and is flying nurses into those clinics which ought to have full staffs. Given the weather conditions along the coast, pray tell how dependable that kind of service is at those clinics.

Let me give one illustration. The hospital at Bella Coola was condemned four years ago. I was there a couple of years ago and some of the concerned people living there showed me that hospital. The United Church of Canada started that mission many years ago and performed wonderful and valiant services in the area. That hospital is staffed by people with a kind of pioneer spirit who like that frontier work. They are committed to helping the people. However, the hospital building has been condemned for four years. The minister says she has not cut back on the services to these people.

The hon. member for Coast Chilcotin (Mr. Pearsall) is not in the House, but he has not been running to their aid. The minister who is now promoting herself as the "minister of professional sports" has not been coming to the aid of these people. This hospital is understaffed and the people are not being looked after, yet this minister is content to cut back on these funds and this kind of service, leaving these people unattended.

There are people in my riding who can well use the research money provided by this fund. Let me name two of them. The Variety's Treatment Centre for Children, is a tremendous facility that is funded through the efforts of the people in the lower mainland. There are in the neighbourhood of 300 families whose children are being helped and given treatment in this very beautiful facility. These are children with cerebral palsy, muscular dystrophy and so on. This centre is not getting the kind of income tax break from this government it deserves in order to help those children. This Variety's Treatment Centre for Children could certainly use more research money in order to provide better treatment, yet the government wants to cut back on research facilities of this kind.

We have another facility, namely, the Seagull Centre. It uses a relatively new technique to help paraplegics and quadriplegics with motor problems. A machine has been designed that helps in a mechanical way to get the limbs of these people in motion. By this method it is possible that they can again become workers through the reduction or elimination of their paralysis. Several groups working in the lower mainland are using this method in their clinics. If the federal government were to continue funding in this field of research, hopefully help could be provided to these people who suffer from paralysis in their legs and/or arms. The minister is really not doing any service at all to the people of Canada by cutting back on these funds.

Let me go back to what I said at the outset. This problem is one that involves not just funding, although that is a very important and immediate concern. This problem is one that involves trust. How many times do we have to come to this government asking it to live up to its commitments? This agreement was supposed to continue for longer, but this government is unilaterally cutting back on funds, breaking its agreement with the Canadian people. That is the problem we face in this country, and that breach of faith is well illustrated and documented by the legislation we are debating today.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I rise to take part in this debate today to touch on an area which in the past has not received the attention it deserves. I welcome the opportunity to bring some of our problems to the attention of members in this House.

Let me make a prediction. I suggest that 20 years from now there will be an older group of members in this House of Commons than we see today, because Canada's population at this time is an aging population. I say this because last Sunday in the town of Penetanguishene I attended a birthday party for a man named Michael Asselin, who was 95 years of age. He met me at the door. He is a very capable fellow and speaks both English and French, but mostly English. I was amazed at his wisdom. He had been raised in that area, was still able to walk and talk and he said to me that he still liked to dance with the ladies. This is the type of individual we are running into today.

• (1530)

As a matter of interest, it so happens that this man's forebears fought at the battle of Hastings in the Norman conquest of 1066, and a tombstone to a Lord Asselin can be found in England today. This gentleman grew up in French surroundings in the area of Perkins Field and Lafontaine. At various points in his life this man was a councillor, the reeve of his township, a warden of the county and the secretary-treasurer of his riding. He ran again for the position of reeve at age 78. People felt that he was too old, but he got elected and performed one of the best jobs as reeve ever done in that riding.

After that birthday party I went back to my home town of Orillia to the Free Methodist Church there and attended the celebration of two people, one who was 90 years of age and another who was 93 years of age. They were both walking around and shaking hands with the guests. I tell these stories to illustrate the point that people are living longer and healthier because of the prevention of infectious diseases in their youth or middle age.

I would like to go back to the turn of the century to further illustrate my point to the Minister of National Health and Welfare (Miss Bégin). There were two major scientific events before the year 1900, the breakthrough by Pasteur who found that organisms cause disease, and Lister's invention of antiseptic therapy in surgery. His carbolic spray cut down mortality.

In those times doctors came to the house, sat by the bedside and brought comfort and many times spiritual help, faith, hope and courage to people for the future. In that way they raised their patient's hopes psychologically in the hope that they would recover from their illness. The doctors in those days knew their patients intimately. Today the doctor walks into a ward accompanied by para-medical personnel, stops at one patient and gives him an examination, talks about him and then goes on to the next. There is no real contact with the patient.

In earlier days we also had infectious diseases such as scarlet fever, diphtheria, pneumonia, pernicious anemia and diabetes, which were rampant. I am sure that many doctors in this House have never seen a case of pernicious anemia. These

were the diseases which killed in the early 1900s. Infections were the big killers up to 1935. If hon. members would like to take time out and are feeling a little spiritual and thinking about what may happen to them, I suggest that they go through old cemetery. What they will find are the tombstones of whole groups of children who died from diphtheria or infectious diseases simply because doctors had nothing to offer them.

The first diphtheria antitoxin used in the province of Ontario was in 1905. There were big families at that particular time. I can recall a family of 13 children, five of which died from diphtheria. That was the tragedy of those days, to see these infections hit whole communities. A similar disease was scarlet fever, but fortunately they developed antitoxins and from there they developed toxoids. We were well on the way to wiping out infectious diseases.

The discovery of insulin by Banting and Best in 1924 saved the lives of many young children who would have died before their twenties. I knew a young doctor by the name of Gilchrist who had diabetes in his youth, but went on to medical school and became an authority on that very disease. Two scientists by the names of Minot and Murphy at the University of Chicago discovered the cause of pernicious anemia, which was vitamin B-12. After that there was one discovery after another. Sulfa drugs were developed and used to control streptococcus. Penicillin was discovered and first used during the war in 1942. It was discovered quite accidentally from a mould.

This story of the field of medicine is intensely fascinating, and if I had the time I would tell some of it to hon. members, but time does not permit me to do so. There is the story of the golden antibiotics and what they did to curb pneumonia and other diseases. The mortality rate from pneumonia in the early 1940s was approximately 25 per cent. In most of the cases it was the breadwinner who perished, fellows who were out roughing it, leaving behind a widow with four or five children and no source of income. Today, however, pneumonia is considered a secondary disease with a mortality rate of between 3 and 5 per cent.

The next major disease was polio. It was found that it was an infectious virus carried by elements of the environment. It was very interesting at that time to note that the cleaner one became, the more paralysing polio became, particularly to people between 20 and 30 years of age. I saw many people die with respiratory paralysis before the development of the iron lung. I saw it in epidemic proportions. I can remember seeing a young girl being examined and the doctor saying not to turn her over because she would not be able to breathe. She died from respiratory paralysis.

● (1540)

The sadness and tragedy of all this was cured because of the research which was put into polio; and it returned millions of dollars of dividends on every dollar which was spent on it, so let us have no argument on that score. I know the minister will take this all to heart and immediately start hunting for more research money.

[Mr. Rynard.]

Now here we have a group of younger people coming around and they are getting older. Then we found out a new thing. We were running into chronic diseases. We were running into coronaries, we were running into cardiovascular disease, we were running into strokes, and those are disabling or total. We were running into maturity onset diabetes and many other diseases, arthritis particularly. Those were things that were crippling people in their fifties with a great deal of knowledge. I have learned one thing in getting old, and I thank the Lord for that. I remember that when I graduated at 31 I thought I had the world before me and knew it all, only to learn at my age that I know less and less. This is something we must keep in mind.

So here we have all these people with cardiovascular and chronic diseases. I do not want to make reference to anybody in the Chair, but you will know, sir, about cardiovascular surgery and the good it has done for thousands of people across this land, enabling them to go back to work and take their place in society, receiving pay for it and paying taxes, not only into the pension plan but to the government to keep things going and help the people who are less healthy. This is what we are doing with the research funds we have had to date.

But we have only begun, because our aging population today will bring about the need for increased care. Today there are well over two million people in Canada over the age of 65, and by 1990 there will probably be three million. Those people will go on pension. They will be drawing old age pensions but there will be a smaller group of people in the work force to pay those pensions. Here we come back to our problem. What we have to do is educate a new group of doctors who will be trained in the difference and the clinical values of chronic disease and how this can be handled. I hope the minister appreciates how important and necessary it is to train geriatric doctors who will understand these illnesses among people who are 50 years of age and over. I shall not go further into this aspect because I do not have time but there are a lot of differences between symptoms presented by a person between 55 and 75 and those of people aged 25 or 35 or 40 or 50. I could give a long list of differences which exist.

We have trained doctors who really do not relish the idea of looking at that old patient lying there in a bed who is crippled, who cannot move, who maybe has suffered a stroke. Maybe they need some treatment. Maybe they need physiotherapy. But it always seems to me that this is the case no matter what hospital I am in. I noticed it in my own clinic; there was only one doctor besides myself who made and enjoyed calls in general on these patients.

The government goes along with this because it says once a patient is chronic he does not need so much medical care. So the doctor knows sooner or later he is only going to be able to call on those patients once a week, or charge for it. I notice that calls are down because psychologically that doctor does not want want to picture himself thirty years hence, nor does the nurse. The person who is in the health care field looking after the cleaning or the serving of food does not want to stay too long with an old patient who is declining in health. They do

not want to face the fact that some day they themselves may be in that chair or in that bed.

That is why I am saying to the minister, for heaven's sake, let us get on and provide these doctors who will be trained in the skills of recognizing what these chronic diseases are and preventing them as far as possible so that they can remain in the work field. I have seen people with coronary bypasses. I have a woman now who is 75 and who has had three heart operations. Just four years ago she quit being a private secretary. You can understand, Mr. Speaker, the contribution which was made there in the field of medicine and in the field of research. But the big research field is in the field of geriatrics. When you have three million people over the age of 65 you have a lot of people, and you have to consider also that some of those people will have to retire through illness because we have not learned to cure them or restore them to the work field. I want to say to the minister that we have those things. First, we have the homes and the hospitals. Right now the governments of the provinces are saying: we do not have enough money to pay for acute care, for chronic care, so we are going to make the chronic care patient in Ontario pay $9.50 a day.

We have a national health scheme which originated right in this Chamber, and how in the world they can tack that charge on in any province while the minister sits here and allows that type of thing to be done is beyond me. When this scheme was brought in, it was supposed to be for the poor who could not pay. There is something wrong with the conscience of those who do not rise up and rebel and say, no, this is not a national health scheme. If they are not going to do it, then change it so that people may know.

If the minister, has a copy of Medical Education in Geriatrics, I want her to take a look at it because on page 2 it says:

> From the federal level, an expression of interest in the development of specialty training programs and specialty standards be conveyed to such bodies as the Royal College of Physicians and Surgeons of Canada, the Quebec College of Physicians and Surgeons and the College of Family Physicians of Canada.

I should like the minister to listen to this recommendation:

> From the federal level there should be developed the means of providing funding support to some faculties of Medicine to develop as training centres for geriatrics—

It also says:

> While recognizing that some progress has been made, nonetheless the statement of the special committee of the Senate on aging made in 1968 that 'A serious bottleneck in the provision of health services for old people interested and trained in this field' is still applicable—

● (1550)

We must never dispense with that sentiment, Mr. Speaker. It brings a little common sense to some things we do here which are not done right. The shortage of personnel interested and trained in geriatrics is still applicable. This dilemma relates to both the undergraduate and postgraduate levels of medical education. Indeed, somehow the value of the system must be revised so that the care of the chronically ill will be as rewarding as the cure of an acute condition.

I want to refer to the other place. In particular, Senator Croll has done a tremendous amount of work in the field of aging and humanities, along with other senators. Approximately 20 years ago it was proposed that instead of taking a person's calendar age we should consider his physical and mental age, and people who are physically and mentally able to work should be given the opportunity to carry on. Labour unions as a whole were against that proposal but I think they will eventually reverse their position when it becomes evident that it will be necessary to do so. These labour unions said the proposition was 20 years ahead of its time, that the pill would not have that much effect because not that many people were using it.

It is interesting to note that this subject has been brought up and spurred on by the American Geriatrics Association to the point where a bill has either been passed or is in the process of being passed which will allow people 65 years of age and older, found to be physically and mentally fit, to carry on until they are 70 years of age. This is applicable to the labour classes. In the academic class the bill has gone further by saying that people can carry on as long as they are physically and mentally fit until the age of 90, which brings to mind the man of 95 who was so bright and of whom I spoke earlier. Look at the additional taxation the United States will receive by allowing these people to work.

I know of a medical teacher who retired because the clinic rules were such that retirement was mandatory at age 65. This man was the biggest workhorse I have ever seen. I have seen him start operating at seven o'clock in the morning and carry on until seven o'clock at night. I said to him once: "You are worse than a farmer", and he replied: "I was raised on the farm". At the time he retired he had a pension of $16,000 per year which was quite ample 25 years ago.

In another state because of retirement the seat of professor of surgery was vacant. However, it was tragic that on his way to take up his post the man who was hired died of a coronary. My friend, Pemberton, had been retired for a year at that point and was distraught because he was not working and had decided to do a little general practice, which he did for a short while. In the meantime the clinic knew that my friend was available and even though he was over 65 years of age they said they would hire him if they could find no one better who was younger. He was hired and his post was to be of a year's duration. The year stretched into six years and in that time his salary was in the neighbourhood of $50,000 a year. He was a great man, and I have many fond memories of him. One day I asked him if he liked working this way and he said that it was not for the money he received because the government took almost half of it in tax. He said it is the fact that he was contributing something to this world that had given him so much.

In conclusion, I want to say to the minister that geriatric chairs should be established across Canada. The province of Saskatchewan has one and there is one at the University of Western Ontario. Other universities are contemplating them. These were established not through any effort by the govern-

ment but through the universities themselves. Canada is poorly equipped to deal with geriatric medicine and I want to see some action taken by the minister. I know she has a conscience. I am sure that when she looks at this dilemma and realizes how serious it is she will see that students must be trained in this field. If the minister needs further proof of this great need, all she has to do is visit the University of Ottawa and the faculty there will tell her that the need is vital. Not only do we need students for the future but we need them right now. If the field of geriatrics is not expanded immediately, this country will be in a jam financially because of the overwhelming burden of pensions. For the sake of humanity, for those suffering, for the prevention of illness, not forgetting people who are in homes and hospitals often not even thought of, everything must be done to prevent disease, enabling people to stay in their own homes, to keep working as long as they have the desire and the physical and mental ability to do so.

● (1600)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, on reading this bill I thought at first glance that it might not be important; but I am always astounded by the craftiness of this government, the cunning it shows in introducing those various bills. When it introduces a bill of secondary importance, or even a meaningless one, it brings it in voluminously wrapped, using many words that often mean very little; but when time comes to introduce a resounding bill, that often harms the people, it assumes a more modest or even extremely modest form. Well, I think that is what we are being presented with here today, with this eight-line bill which reads as follows:

No payment shall be made under this Act in respect of any cost incurred in respect of a health training facility unless payment of a contribution toward the cost thereof was authorized by the Minister pursuant to subsection 4(1) or 5(1) before September 9, 1978.

So, Mr. Speaker, here we are considering this very small bill, as I said a few moments ago. Some hon. members have talked about it this afternoon. I listened to most of them. Some have viewed it from the medical point of view, like the speaker before me, but I wish to stress the financial aspect of the bill because everyone knows that without money it is useless to talk about medicare. But this bill, Mr. Speaker, although it is a small one, has much value to the government because it will allow it to keep millions of dollars which normally would have gone back to the provinces.

The government pursues its war against the provinces with a pruning knife and that is precisely what I want to draw to the attention of the public. Federal-provincial agreements! What does this government do about them? It ridicules them. When it concerns joint financing agreements unanimously endorsed by the provinces, the federal government unilaterally decides not to respect them. I wonder where such dictating will lead us, Mr. Speaker.

Mr. Ouellet: You can't be serious!

[Mr. Rynard.]

Mr. Gauthier (Roberval): I am quite serious!

Miss Bégin: It is a federal legislation and not an agreement with the provinces.

Mr. Gauthier (Roberval): The provinces only have to yield—

Mr. Ouellet: The person who wrote your speech did not know what he was talking about.

Mr. Gauthier (Roberval): I wrote it myself, Mr. Ouellet, I do not have a secretary as you have to write my speeches, I take down my notes.

Mr. Ouellet: It shows, because you are entirely on the wrong track.

Mr. Gauthier (Roberval): The provinces can only yield to the federal government and say: "Thank you, master for what you were kind enough to leave us." This is what the present Prime Minister calls federalism. It is promising for the future of Canada, Mr. Speaker. The Prime Minister basically wants a united Canada, but in practical terms he wants a single Canada. He has therefore decided to cut off all provincial channels which he considers a threat to that unity. He wants to despoil the provinces so that they will have to crawl before the almighty federal master to survive. For over ten years, we have painfully been on the warpath and the invader is carrying on his forays into the provinces. Honour, a given word or even the signature on contracts, everything is violated. Unilateral decisions are law.

This bill is another proof of the will of the government to dominate the provinces. They may well shout, protest, claim their rights, but it's no use. The Prime Minister replies that we need a strong federal government we need to establish a bureaucratic dictatorship and he does so by means of the so-called federalist system. Of course, the provinces did count on that agreement. Indeed, this two-year agreement with the provinces was designed to help them plan their spending in medical research and in the upgrading of premises. It should be recalled, Mr. Speaker, that we are not against the federal government withdrawing from joint programs or from agreements signed by both levels of government. On the contrary, we have favoured and claimed that for years and we would be most happy if the government ever decided—as the province of Quebec requires—and I quote *La Presse* from February 6, 1979:

Mr. Lazure asks Miss Bégin to transfer the entire jurisdiction of social security to the provinces.

In short, let the federal government get out of Quebec's business on the only condition we agree to, that the federal government give back corresponding taxation points to the province.

Miss Bégin: And the child tax credit.

Mr. Gauthier (Roberval): In other words, the day the federal government will once and for all get out of provincial jurisdictions, it will necessarily have to give back all the direct taxation items it has taken from the provinces under false representation. Besides, those were the very expectations of the former Liberal prime minister, the Right Hon. Lester B. Pearson, who had told us when we were commending him for having cancelled several cost-sharing programs and given back the corresponding taxation points to the provinces, that if he still were prime minister for a few years there would be no more of those programs and therefore we would fully recover the direct taxation, and that there would be no more of those joint programs I have always described as many links to make the provinces dependent on the federal government which had managed to hoard on a silver plate all rights to direct taxation. Unfortunately for all the provinces, Mr. Pearson had to resign, and unfortunately again for the province of Quebec, Mr. Trudeau became Prime Minister, and under his administration joint programs have become the order of the day.

This bill brings back to memory those great many cost sharing programs that turn out to be more and more the creatures of the federal government which decides everything without consultation, particularly through Bill C-2. Apparently the federal government is trying to do away with provincial participation in medical research because it no longer believes in confederation but ony in one unitarian state. However, it will have to meet its commitments under past agreements. If it wishes to ignore them entirely, and make them void by a single stroke of the pen, as though the provinces' opinion did not matter, it should at least be honest enough to return to the provinces the tax points owed to them. I suggest this would at least be logical. One can readily understand that the central government asked for and received the power to collect taxes on behalf of the provinces. But it still has to fulfil its primary duty which is to comply with the agreements under that great power of taxation.

● (1610)

If they continue the way they have been going for the past ten years they are going to keep on breaking agreements, rejecting all cost-sharing programs, while at the same time keeping 100 per cent of all taxation rights. That will be profitable for the federal government, but not for our provinces. Indeed, the more the federal government refuses to pay its share to the provinces, the more the provinces will be forced to pay themselves the outlays that keep accumulating year after year and the less revenue the provinces will have, since the federal government will still keep the full powers of taxation it borrowed in 1942 while at the same time reneging on all the beautiful promises made at that time.

With such a power of taxation, without obligations in return, it becomes very easy for the central government to penetrate further into provincial jurisdiction on the pretence that the provinces that are not in an area are so burdened by the limitation of the field of taxation that they can no longer cover all the areas under their jurisdiction. That is how provincial sovereignty is being infringed upon through the control of taxation.

Bill C-2 is only the extension of all the legislation passed in the past ten years by this government to cancel the role of the provinces and get its out and out federalism. The government keeps rejecting its past commitments at the expense of the provinces by taking away from them any power of recuperating. Today, the government practices that sport which is dangerous for Canadian harmony in all sectors and the most sinister part of it is that government members who are mainly responsible for the present mess are saying there is a crisis.

The government headed by its ministers is spending millions on inquiries into that famous crisis. They want to know who is responsible for it. I ask the ministers and the Prime Minister to look at themselves in a mirror in order to find out who has really caused that famous crisis. First of all, the cause of that crisis is the lack of communications between the government of Quebec in particular, and the other governments. The federal-provincial meetings have been characterized by reversals, and public discussions. The provinces understandably resent the fact that the central government takes decisions without even so much as consulting them. We now have reached the point when ministers trade insults and call each other robbers and violators. That is not parliamentary language. For example, in an article which was published in a newspaper on February 2, 1979, the Minister of National Health and Welfare (Miss Bégin) is reported to have referred to the Quebec Minister of Health as a robber! That is not very edifying, Mr. Speaker! And when the Minister says that "sometimes she feels ashamed that she is a Quebecker" . . . I am almost ashamed to sit in the federal parliament. This reaction was prompted, of course, by another cut in family allowances.

Another statement related to the Quebec minister's statement in which he denounced a 23 per cent drop in federal family allowances. The family allowances granted by the federal government will drop by 23 per cent, in Quebec as in all other provinces, for every child as of Janaury 1. This is the nature of a bill on this subject tabled yesterday at the National Assembly by Social Affairs Minister Denis Lazure.

The Minister of National Health and Welfare (Miss Bégin) answered him at an impromptu press conference held yesterday in Ottawa. She said: Quebec has lowered to 5 per cent the welfare benefit indexation to get back the $200 annual tax credit granted to families with an income of less than $18,000. According to her Manitoba and Quebec are the only provinces which take into account this tax credit in establishing the rate of benefits. By failing to index the benefits at 9 per cent, as planned, Quebec is stealing from welfare recipients, according to the health minister.

Well, Mr. Speaker, for the edification of the whole population, here is what the Quebec minister Mr. Lazure said in reply: In deciding, unilaterally, to change the family allowance program, not only did the federal government renege on an agreement that goes back to 1974, but above all, it has singularly made life a great deal more complicated for a whole group of people. I did it with an election in mind, obviously, right on the eve of an election. By reorganizing a family allowance budget, to allow families whose income does not exceed $18,000 claim a child tax credit next April, the federal government penalizes welfare recipients.

Mr. Lazure enumerates the following in support of his contention: The Quebec government, or rather, the parents have to fill out a complex form. They also have to fill out some sort of income tax statement which many of them have never done before. That is true. I support him on that. The federal government threatens to upset the budget of the recipients by sending them a big cheque in April, perhaps in March, or in August, or even next fall.

Others will not get any at all because of the complexity of all that paper work. In April, they will no longer need it to heat their house or buy winter clothes. Criticizing the new program further, Mr. Lazure points out that, when she made a public statement last week, the federal Minister of National Health and Welfare forgot to point out the following: that Quebec is the only province to pay out family allowances, that Quebec is the only province where social assistance payments are automatically indexed on the cost of living. In 1969, that indexation will cost the government $67 million. Finally, Quebec is the only province that has an integrated social assistance program and therefore it is impossible to compare with the other provinces.

● (1620)

Well, Mr. Speaker, these are two opinions I respect, but to any Canadian citizen they certainly cannot be reconciled. There is between them the difference in figures, first in calculations, expressions and particularly the difference between the acts. And when I received the booklet from the Minister of National Health and Welfare (Miss Bégin), well, I met a lawyer and my accountant, and we looked at it. The lawyer told me: This legislation is so complicated that I think we shall never be able to understand it. As to the accountant, he said: If you take everything into account, the $200 tax credit and the decrease to $20 in family allowances, nothing is changed for poor children. We should—

Miss Bégin: No, it makes $140 more for each child.

Mr. Gauthier (Roberval): I say that my accountant—

The Acting Speaker (Mr. Ethier): Order, please. The Chair has some difficulty to understand how the hon. member wants to relate the remarks he is making now to the bill before the House, namely Bill C-2. Maybe there is some relation to Bill C-2, and I would like to hear it at this time.

Mr. Gauthier (Roberval): Maybe you find the example a little long. I was giving this as an example which, at the same time, was intended to help inform the population—

Mr. Ouellet: The hon. member does not check his information and gives the view of the people on stupid examples.

Mr. Gauthier (Roberval): But I knew I was beside the question. I cannot go deeper into this matter . . . I may do so at a later date because I wanted to . . . The examples I give—-

Mr. Ouellet: The hon. member's examples do not make any sense.

Mr. Gauthier (Roberval): When a lawyer tells you he is rather confused . . . The examples I give—

Mr. Ouellet: He must be a Social Credit accountant.

Mr. Gauthier (Roberval): The minister says the examples do not make any sense. It so happens the example is taken from the minister's publication. If it does not make sense, according to the new Minister of Public Works (Mr. Ouellet), it does for mothers—

Miss Bégin: The hon. member should say that this means more money for mothers.

Mr. Gauthier (Roberval): Of course, the minister says that Quebec mothers may lose some money, but I have something else to tell her. The Minister of National Health and Welfare, like the other ministers, the Minister of Employment, for instance, who has just—and I am only saying this as an introduction, Mr. Speaker—who has just placed 250,000 unemployed on provincial welfare—On one hand, the government takes back benefits from the provinces, as in Bill C-2, on the other hand, it takes directly from—

Some hon. Members: Order!

Mr. Gauthier (Roberval): Mr. Speaker, when I talk about Bill C-2, they shout that I am out of order. In my opinion, they do not know what subject we are discussing—

An hon. Member: We do not understand you!

Mr. Gauthier (Roberval): It is not surprising that you do not understand. Many others do not understand either. As I was saying, on the other hand, the government cuts back directly the income of senior citizens, as it did in the case of the supplement. Listen to this. By considering the Quebec pension cheques as an income, the federal government is able to reduce its pension supplement by taking 50 per cent of the Quebec pension cheques. This is another way—

The Acting Speaker (Mr. Ethier): Order, please! This is certainly another way, as the hon. member suggests, but I would like to remind him once again that we are now discussing Bill C-2 which concerns authorization for terminating an agreement with the provinces. I invite the hon. member to limit his comments to this issue.

Mr. Gauthier (Roberval): Mr. Speaker, you allowed the previous speaker to talk about pensioners over 65, as he did for half an hour, and I am talking about pensioners over 65 who need care and money and who have contributed to the Quebec Pension Plan and who receive their cheques from Quebec. Why is this cheque considered supplementary income?

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

The Acting Speaker (Mr. Ethier): The hon. Minister of National Health and Welfare (Miss Bégin) on a point of order.

Miss Bégin: Mr. Speaker, the member who spoke before the Social Credit spokesman has had medical training and he talked about the urgency to train people in the field of geriatrics in Canada. He said that this could have been done if public opinion in the provinces had become favourable soon enough, and this could have been done under the health resources fund which is the subject of the bill now under consideration. He never spoke about the pensions! That is what the hon. member has been doing for some time only to make erroneous statements.

An hon. Member: Absolutely not.

The Acting Speaker (Mr. Ethier): Order please. This is very clear and this is why the Chair left the floor to the hon. member for Simcoe North (Mr. Rynard). He was not interrupted during his speech. Once again I urge the hon. member to limit his remarks to Bill C-2.

Mr. Gauthier (Roberval): Mr. Speaker, I said earlier that some doctors—I did not name them—dealt with the medical aspect and that I would deal with the financial aspect of this issue as it cannot be ignored. You need money to have adequate health services. This is why I think that the minister does not understand anything as regards financial matters. She may be an expert on other subjects but I want to refute her theory. When she says that the government of Quebec robs people on welfare I say that the government robs older people of 50 per cent of their pension, the Quebec pension. Is it not true?

Miss Bégin: How much did the province of Quebec get for health?

Mr. Gauthier (Roberval): Now she recognizes it. She steals 50 per cent of their Quebec pension from older people. We agree on this. I do not want to deny what the minister said and I said earlier that you were right, but it does not mean that one is more in the right than the other and that you can rob older people who need health care.

Miss Bégin: The government of Quebec does that.

Mr. Gauthier (Roberval): It does not reduce the Quebec pension but the guaranteed income supplement.

Miss Bégin: Quebec pays Quebec pensions.

Mr. Gauthier (Roberval): No, Quebec gives the cheque and those who get the supplement have their cheque cut by half. I know the situation. Of course, Mr. Speaker, after all those discussions we do not agree on Bill C-2 and even less on the reasons for those cuts. They spend their time cutting programs and I object to that.

Bill C-2 is like a pruning knife. It means a loss for the provinces, Mr. Speaker, and that is what riles me. I am told to stick to the medical aspect of Bill C-2, but I must say that it is not the medical aspect which is important, it is the cutting effect which is important. The provinces are denied millions of dollars to prevent them from taking action in their own field of jurisdiction and as soon as someone criticizes that, Mr. Speaker, they shout. All the Liberal members here are shouting that it is contrary to the Standing Orders. They want this matter to be left untouched. They do not want the people to know the government is stealing 50 per cent from the pension cheques from Quebec. They do not want that but it hurts the elderly people and these same elderly people know it. How dare they blame the Quebec government for suppressing a 3 per cent indexation—

Miss Bégin: It's 4 per cent.

Mr. Gauthier (Roberval): Fair enough, 4 per cent indexation at a time when the federal government steals 50 per cent from the cheques. Ottawa takes the lion's share. It is not 4 per cent but 50 per cent not giving what Quebec expects from the federal government, what it should receive from it anyway, they are going to syphon off from those who are getting money from Quebec in order to put it in the federal treasury. This is what we do not accept and this is what Quebec cannot accept.

An hon. Member: You do not have any member on the committee.

Mr. Gauthier (Roberval): There are Social Credit members on that committee.

An hon. Member: Stealing is a very strong word.

Mr. Gauthier (Roberval): No, I was not the one who used it first, the minister did.

An hon. Member: Not in this House.

Mr. Gauthier (Roberval): It was the minister as reported in a newspaper article. I read it. I had to quote the minister's words. The minister used the word "stealing".

An hon. Member: That is unparliamentary language.

Mr. Gauthier (Roberval): I did not find it quite parliamentary either, this is why—

The Acting Speaker (Mr. Ethier): Order. If hon. members want to intervene they should address the Chair.

Mr. Ouellet: Mr. Speaker, I realize the hon. member does not agree with the purpose of this bill, but I am afraid his words go beyond his thought when he accuses this government of stealing from Quebec senior citizens because, quite the opposite, we have increased significantly old age security pensions in the last few years. I would ask him to withdraw the term "steal".

Mr. Gauthier (Roberval): Thank you, Mr. Speaker, but I only borrowed the terms used by his minister. I would never have used the term "steal" if the minister had not done so herself. And when he suggests—

[*English*]

Mr. Paproski: Mr. Speaker, I rise on a point of order. I believe the hon. member said that the people in Quebec had said that the federal government is taking money away from them.

Miss Bégin: You have a lot of imagination.

● (1630)

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. The minister on the same question of privilege.

Mr. Ouellet: Mr. Speaker, the hon. member for Roberval would have this House believe he is using the minister's terms. The minister said no such thing in this House today. And I ask that he withdraw, because to accuse this government of stealing from Quebec senior citizens is both groundless and unparliamentary. I therefore ask him to withdraw.

Mr. Gauthier (Roberval): Firstly, Mr. Speaker, I would withdraw on the condition that the government repay the 50 per cent they have been taking away from senior citizens for some 10 years. But I would first bring the minister back to reality by pointing out it is reported here that, according to the minister, by failing to grant a 9 per cent indexation as agreed, Quebec is stealing from welfare recipients. Those are the words used by the minister (Miss Bégin). I would not have referred to stealing had not the minister—

Mr. Ouellet: The minister never said that in this House!

Mr. Gauthier (Roberval): But I am sure that if he follows the minister, there will be no trouble at all.

An hon. Member: We are right, you are wrong!

Mr. Gauthier (Roberval): Liberals are quite partial. They say that the minister is right but that I am wrong to use the same word. That is not fair, we must have equal opportunity. If the minister can use that word, I should have the same right and yet with more right because the robbery is much more serious and more extended.

Before the Liberals were in power, we remember that Quebec pensions were not treated as income. They have been treated as income only since Liberals are there to siphon off from our pensioners who are receiving a cheque. And you, Liberals, you should support us to return to the old legislation so that Quebec pensions not be treated as income. And I think the minister would agree with me on that point. Well, in concluding, Mr. Speaker—

An hon. Member: But that is not robbery.

Mr. Gauthier (Roberval): No, it is finance. That is probably what the minister meant. She should have used the word finance. But since the minister used the word I thought I would be readily understood by the Liberals because they are used to hear the word robbery instead of finance.

Mr. Speaker, as my allotted time is going to expire, my 40 minutes have been used, you should give me an extra 20 minutes, they have taken 20 minutes from my time, Mr. Speaker. You should give me an additional 20 minutes to allow me to conclude my speech.

Mr. Ouellet: The hon. member did not withdraw his words yet.

Mr. Gauthier (Roberval): Mr. Speaker, anybody knows quite well that needs are ever more pressing in the health field and that the provinces will have to foot the bill themselves. Sincerely, is it not another way to punish Quebec? That happened since 1976, especially since that government is there because they do not like it. For example, if I do not like you, will I spend my time throwing things at you? But it is the Quebec people who have elected that government. Why should we punish it continuously and adopt legislation to cut assistance, to break contracts? They even cut back large contracts, the Laprade heavy water plant, for example. It is the same thing. Cutbacks everywhere to try to weaken Quebec's economy.

At the same time the central government gives tax breaks to multinationals, those monopolies which are heavy party fund contributors. This is theoretically to create more jobs, even though we are well aware that large businesses will use the product of the workers' income taxes to modernize and further reduce the number of jobs. That is why big wheels get more

powerful under a Liberal government while ordinary folks just get weaker.

[*English*]

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I participate in the debate on the bill before the House in a sense of both sorrow and outrage. Earlier the hon. member for Winnipeg North Centre (Mr. Knowles) said some nice and kind things about the Minister of National Health and Welfare (Miss Bégin) with which I agree. There is no question concerning her integrity and desire to improve the lot of Canadians in terms of health care for the aged. She deserves full credit and marks for that. But I question the hon. minister's continuing acquiescence in the priorities of the government and her colleagues. While she may have argued and fought with her cabinet colleagues in caucus concerning restraint being applied to the health resources fund, it seems to me the minister should further attempt to change the minds of her colleagues regarding this legislation. While the minister has been a good trooper in attempting to defend and apologize for this measure, I know her heart is not it.

I am outraged and sorrowful that the minister and her colleagues participated in what I would call a "Proposition 13 syndrome". This mindless pact comes from the Conservative elements in North American society: government is too big, it is spending too much, it interferes too much in our lives, taxes are too high, the government is out of control. It is the restraint policies that are out of control. I never expected to see the day when the hon. minister would be party to such a syndrome or such mindless nonsense emanating from the conservative element in society, smart aleck editorial writers, financial page analysts and so forth.

When analyzing these demands for restraints and cutbacks, one must consider from whom they are coming. One will find that these demands come from the rich, powerful and comfortable. I have not heard any old age pensioners, patients in acute health care beds, veterans, poor people or unemployed say that the government is too big and spends too much money. But I have heard such complaints from people who are nicely and comfortably ensconced in $200,000 homes owning two cars, summer cottages and taking winter vacations in California. These kinds of people indicate that the government is too big and its taxes are too high. For any government to accede to such nonsense by placing restraint on health resources expenditures is not only unconscionable, but is giving in to appeals being made to the worst in people rather than the best.

Surely the hon. minister must agree that she should make one more attempt to change the government's mind to its everlasting credit. I see no reason in the government's priorities when displaying restraint on the health of Canadians. The government is cutting $84 million in 1979 and 1980 from health resources funds on the ground of restraint.

• (1640)

The minister said the Government of Canada had a difficult decision to make in applying major traumatic restraint on its own expenditures. I wish the minister would agree—and I do not see how she can fail to—that it must have been more traumatic for her, and everybody else in the cabinet and the Liberal caucus, to hear the government announce an increase in spending just a few days ago of some $400 million, some five times the amount of cutback from the health resources fund, including provision of $18 million to help professional hockey millionaires build places to skate and play their little games. The Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo) tries to justify this by saying they are to be municipally-owned stadiums which will be available to amateurs. I have had some experience of playing amateur hockey with a professional team around, and I know that you can get ice time from seven to eight in the morning or from 11 to midnight, and from midnight until early the next morning. When the professional team wants to use the ice the amateurs and the kids cannot use it. This government can find funds for that.

Mr. Paproski: Why not ask the high-priced players and owners to provide these funds?

Mr. Benjamin: That is a good suggestion by the hon. member for Edmonton Centre (Mr. Paproski). It would be an excellent idea to have these high-priced players and owners provide their own damned rinks in which to play their games.

What about the announcement of $235 million for the pulp and paper industry? Surely the Minister of National Health and Welfare is not going to hold still for that. She is supposed to knock 84 million bucks from her health resources fund while agreeing to spend $235 million to help an industry that has increased its profits in 12 months from $160 million to $379 million. How can the minister hold still for that? How can any self-respecting Liberal on the government side hold still for that? It is incredible that we have people like the Minister of National Health and Welfare supporting a Liberal government that is implementing Conservative policies. That government not only accedes to the mindless chatter of those who demand restraint and government cutbacks; in its equally mindless desire to clutch and hang on to power it enlarges on those measures. This government has thrown its reputation into disrepute through breaches of faith and word, and its disregard for commitments and agreements with the provinces, beginning in 1966 with the health resources fund.

This program should not be ended prematurely. It should not have $84 million chopped off in its last two years of life. Rather, this program should be extended and enlarged with the provision of new funds, not just $500 million over the next ten years, but $1 billion. There is a great deal yet to be done.

I listened to the words of the learned and fine hon. member for Simcoe North (Mr. Rynard) who emulates the best traditions of a country doctor in this country. He talked about things that need to be done in a field in which he is wise, the field of geriatrics. I agree with what he said in that regard. I only wish he would talk to his colleagues in his own party in a number of provinces of this country. They have failed miserably to make adequate use or take adequate advantage of the

health resources fund. Their activities in their own jurisdictions belie the words of the hon. member for Simcoe North.

That hon. member should ask the government of Alberta to refrain from charging $4 a day for medical services for people at levels three and four, most of whom are in what the hon. member for Simcoe North would class the geriatrics category. This is the charge in Alberta to those people who spend more than 120 days in health care centres. He should ask that government to stop collecting $5 a day for the admission of an individual requiring an acute care bed. That government should take full advantage of the health resources fund in order to do more research in geriatrics and to provide a greater degree of medical care through a shared program under the provincial and federal governments. Instead of that Alberta is taxing those who can least afford to pay.

I wish the hon. member would talk to his Conservative colleagues in Ontario who are charging $8.60 a day in what they call extended care user fees. My God, this sounds like Otto Lang! The Tories in Ontario call it a user fee, just as the Minister of Transport (Mr. Lang) says that the user shall pay. In British Columbia another Conservative government charges $6.50 a day for extended care and $5 a day for acute care. The majority of the people who are paying these charges fall into a category the hon. member for Simcoe North would class as geriatrics.

I hope the hon. member for Simcoe North will match his demands of the federal government with equal demands of his Conservative colleagues in power in several provinces in this country, because their performance in some of the richest provinces, in fact in the richest province, has been shameful and miserly. The government of any province as wealthy as British Columbia, Alberta or Ontario that cannot or will not lead the way in health care and health ventures should be ashamed of itself.

Some of these Conservatives, with a capital "C", talk about more restraint and government cutbacks in health care. Some of them have the nerve to call themselves "Progressive Conservatives", which has to be the ultimate contradiction of terms. They propose things like deterrent fees. We experienced that under a conservative Liberal government in Saskatchewan for a number of years. Dr. Beck, a professor at the University of Saskatchewan, studied the effect of deterrent fees. His findings were that families least able to bear the financial burden cut back on the use of the medical care system. According to Dr. Beck, the wealthy were not noticeably affected. This is what all of us who oppose this kind of tax on the sick have been saying for years.

I would ask the Minister of National Health and Welfare to give more thought to what needs to be done in respect of health care and research rather than to cutbacks. The health resources fund should be extended and enlarged. The $235 million for the pulp and paper industry and the $18 million for hockey rinks should be used to extend and enlarge this fund. It should be used to meet needed research in respect of prosthetics, for the provision of community clinics, acute care for the elderly, for research and the construction of new facilities.

[Mr. Benjamin.]

• (1650)

We do not have enough dialysis machines for people with kidney ailments who must have their blood regenerated once or twice a week for the remaining years they have before them. People in the medical profession as a result have to make the terrifying decision of who can have access to the insufficient number of machines and who cannot. We have money for the pulp and paper industry with its high profits and for millionnaire hockey club owners, yet the government wants to cut off the health resources fund for its remaining two years.

There are new developments in portable dialysis machines which eliminate the necessity of patients having to attend a hospital once or twice a week year in and year out. Several thousands of these machines are needed and, therefore, the provinces should now spend money on the purchase of these machines and for their continued development with the aid of the federal government, which should absorb half the cost through a health resources fund.

The areas of preventive medicine and mental illness need much research. a high portion of bed occupancy in the health care delivery system is taken up by schizophrenics. The health resources fund could aid in the cost of the work needed in this area. I would like to tell the minister that we could do great things for the improvement and care of schizophrenics and that, if nothing else, it would help half the members of the Liberal party and three quarters of the members in the Conservatives party.

Miss Bégin: And all of the NDP.

Mr. Benjamin: The Conservative party would like to have it both ways. As my colleague from Nanaimo-Cowichan-The Islands (Mr. Douglas) pointed out with regard to another item some time ago, that party would like to have it both ways. They are like the oldest profession in the world and would like to work both sides of the street. On the one hand they say that there must be cutbacks and restraint, so they pick on the health resources fund; but on the other hand they want to spend three or four times that amount of money on items which have no justification.

Surely the minister will ask her cabinet colleagues and her colleagues in the caucus to readjust their priorities and determine which is the more important—leaving the $84 million in the health resources fund to be spent in 1979 and 1980, or giving $235 million to an industry which has just doubled its profits. That is not dogmatic socialism or party dogma; it is just plain common sense. They must readjust their priorities.

The minister calls the withdrawal of this fund traumatic. Something should be done to ease the trauma. Such a comment indicates to me that she believes it is the wrong decision, because nobody deliberately has a trauma. Why one would want to have a trauma on purpose is beyond me. It is even more traumatic, this decision to end the health resources fund, in light of the spending this government would like to do on unnecessary and unjustified items.

One of the fundamental tests of how civilized and decent a society is is how it treats its old people and its sick people. Surely that is the best test of all. No society with any amount of conscience could justify—at least, I cannot justify it in my mind and I am sure that none of my colleagues in the House can either—this sort of niggardly, miserable, miserly approach to restraint through cutting back health resources. It flies in the face of the best that is in all of us, of decency and of trying to make this a better society and a better nation. It flies in the face of the concept of strengthening confederation and national unity.

This fund came about as the result of a commitment in 1966 which was to continue to 1980, and if that is not breaking faith with the provinces, I do not know what else it could be called. How can we as a parliament do such a thing? One wonders why there are obstreperous premiers. In listening to them speak on television during and after first ministers' conferences, one wonders why the provinces become so suspicious and why they say they have been once bitten and are twice shy about any further agreement or commitments from the national government, particularly when it breaks faith over a paltry $84 million as compared to a massive amount of spending in unjustifiable areas.

If the minister would like to restore confidence among the people and the provinces in the integrity of her government, and if members of this House would like to restore some confidence among the people and the provinces in the integrity of parliament, then this bill must either be withdrawn or defeated. Because it is breaking faith and who wants to be party to that? I do not think that the Minister of National Health and Welfare would like to be party to that. Surely, members on all sides of the House can agree, even though we may argue about other forms of spending, that the area of health resources should not fall to the meat axe of restraint. I am not suggesting that this money for health care and health resources should not be spent wisely and efficiently; that is the onus upon governments at all levels and goes without saying.

This is no area for cutbacks when there remains such a massive amount to be done. We should be spending hundreds of millions of dollars in preventive medicine, but we are only scratching the surface. In the long run these expenditures for curative medicine save society and the g[O]vernment. To me this piece of legislation is a pandering of the worst kind to what is supposed to be a massive majority opinion in our society about too much government spending. What is equally or more important than how much the government is spending is what the money is being spent for, how it is being spent and on whom it is being spent. That is of equal or greater importance than how much is being spent, and we should be directing our attention to examination, proposals and criticisms, not to this mindless reduction in such a basic and needed area.

● (1700)

I do not want to be party to the kind of thing which has occurred in other jurisdictions, in other provinces, and south of the 49th parallel. Rather than do so I would prefer to stick to my guns for maximizing and enlarging our health care services and health delivery services. I would rather be defeated for that than win by supporting attempts by a few rich and powerful institutions and governments to introduce cutbacks and restraints in this field. I would rather lose for doing something than win for doing nothing. I would be proud to face the people in my constituency and tell them we are going to spend more on health resources, that we are going to challenge the provinces, the medical profession and the research institutions to do more and do better. I would be proud to take that message to the people of my riding and they can judge me at election time. If they want to defeat me because I am advocating too much spending of that sort, I would be glad to be defeated because I would not like to represent such people in parliament. But I like my people and I have confidence in them. They will respect any politician from any party who says he will have no share in the kind of mindless proposition put before us today. This kind of thing should not be the lowest priority; it should not be a priority of any kind.

Consider the abysmal record of some of the wealthiest provinces, invariably those with Conservative governments. Their priorities are similar. They are the provinces that want to cut back. In Manitoba they have cut back and confined the increase in their budgeting for health services to less than 3 per cent, which is lower than half the cost increase due to inflation.

The new Conservative government of Manitoba showed restraint and, as a result, hospitals had to fire people. That is no way to cut back. Like everybody else who lives in Ontario, the Tory government there is proud of their province. They have a slogan which reads, "Is there any place you would rather be?" Well, when it comes to health care a lot of people in Ontario would say: "Yes, in Saskatchewan". What they are doing in Ontario to people who have to be treated in hospitals for lengthy illnesses is shameful. But that government is showing restraint. It is cutting back.

Here we find the Liberal government of Canada being party to the same sort of nonsense. Take Conservative Alberta, good old, rich Alberta. That government has increased medicare premiums to $184 a year per family. It felt the need to cut back, to show restraint. It continues to charge $5 per day for acute bed care. This is what they call restraint. And the Minister of National Health and Welfare is party to the same kind of nonsense. Patients will be charged $4 a day after 120 days. Mr. Speaker, anybody who is ill enough to be in hospital that long is a very sick person. Is that the time to drop over to the bedside and say: "From now on, we want $4 a day from you"? Yet that is restraint. That amounts to a cutback. They have cut back hospital funding to a 6.5 per cent increase, less than the increase in costs. That is what is happening in rich, Conservative Alberta and the minister is joining them in that kind of nonsense.

In Conservative Manitoba they say they will bring back medicare premiums and they have levied a new fee of $7.50 a

day on extended care patients. Well, that is restraint; they are imposing cutbacks.

Mr. Yewchuk: On a point of order, Mr. Speaker, the hon. member for Regina-Lake Centre (Mr. Benjamin) has been sneering at Alberta for being good and rich and praising Saskatchewan—for being bad and poor, I guess. If that is his thinking, let him explain why such large numbers of people are leaving Saskatchewan and moving to Alberta?

Mr. Benjamin: If the hon. member would check the population statistics he would find that such is not the case. But I want to tell him and the natives of Alberta and British Columbia that had it not been for the many good people from Saskatchewan who moved there neither of those places would have amounted to anything.

The fact is that over the last few years in Saskatchewan the population outflow has been reversed. The population has been increasing for the first time since the late 1920s. I do not know whether one can attribute responsibility for that to any party or government, but it does tell one something about where people would prefer to be.

I appeal to the minister to buttonhole a few of her cabinet colleagues. I am sure hon. members of the Conservative party will help keep this debate going until six o'clock, which will give her a chance to change her mind about this bill. After all, ministers over there have already exceeded their objective in connection with cutbacks. They have succeeded without this bill. If it is not proceeded with, they will still be in excess of the objective the Prime Minister (Mr. Trudeau) outlined last September. So they do not need this legislation in order to live up to their commitments about reducing government spending.

I therefore appeal again to the House to reject this legislation. I appeal to the government, to members opposite, and particularly to the Minister of National Health and Welfare. There is nothing wrong about changing your mind if you have second thoughts. You will not be condemned by members of our group if you are big enough to change your mind on this issue. On the contrary, I think you will be applauded by people across this land generally if you withdraw this bill.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I think it is worthwhile, as an introduction to my remarks, to note a statement by the minister. The hon. lady said:

> With the impending introduction of a medical care program and anticipated shortages of health manpower to meet program and population requirements for increased health services, the health resources fund was enacted on July 11, 1966, to run for the period 1966-1980.

● (1710)

Provisions of the act were to offer financial assistance to the provinces and territories in the planning, acquisition, construction, renovation and equipping of health training facilities.

Before addressing myself to the remarks made by the minister and statements made before the standing committee dealing with Bill C-2, it is only appropriate that I point out to the hon. member for Regina-Lake Centre (Mr. Benjamin) that in the Barrett era of British Columbia history, if my memory serves me correctly, a well-known doctor from New Westminster was appointed to draw up a master plan for medical and allied care for that province. Upon its completion it was a ponderous document indeed. It was studied by people within and outside the medical profession and it had much to commend it. But like much socialist philosophy and theory, it suffered from overkill, so much so that this social document for improvement in the field of health gathered dust on the shelves of the provincial legislature in Victoria. I cannot recall one element of that particular tome being introduced by the Barrett government.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I can tell you about all kinds of things.

Mr. Brisco: I would be interested in hearing from the hon. member if he can tell me all kinds of them. Fortunately none was of sufficient significance to have the impact on the province that they are still remarked upon today.

Mr. Benjamin: What about dental care for children?

Mr. Brisco: I would suggest to the hon. member for Regina-Lake Centre that he address himself to some simple mathematics. I recall him saying that the fee for medical coverage was something like $184 a year in Alberta. That was the figure he quoted—

Mr. Benjamin: For a family.

Mr. Brisco: —for a family. When we translate $184 a year, and he mentioned a family of four, it works out to the enormous sum of eight cents a day. Frankly I cannot see anything wrong with that, particularly in Alberta.

An hon. Member: It is zero in Saskatchewan.

Mr. Brisco: I know that in Saskatchewan they have a different plan, but times change and governments change. Unless the member is misled, or the House is concerned that the only province which has anything going for it in terms of medical care is Saskatchewan, then I think the member should more fully examine some of the other constraints, such as constraints of environment, population and geography. It is not fair to the other provinces to tar them with a broad brush.

No reference was made to the province of Manitoba. We have a fresh Conservative government there, but the NDP had all kinds of time to establish health care policies. We have not heard a word about that. However, let us return to the substance of the bill instead of debating points between parties here. After all we on the opposition side are opposed to Bill C-2.

In 1966 the prime minister and the government at that time demonstrated considerable foresight in establishing this fund. They must have recognized a need. It is unfortunate they did not demonstrate the foresight to see just what the Prime Minister (Mr. Trudeau) of today and his wasteful wastrels, in other words his cabinet, would do with the financial state of this nation. If he could have seen that, then probably he would

have escalated the sum well beyond its present limits. Instead of establishing it at $500 million, maybe he would have established it at $750 million. Perhaps he would have recognized that galloping inflation would diminish the value of the program. Perhaps too he would have considered additional sums were needed to address the social problems that have arisen as a result of the high unemployment in Canada at this time.

The Pearson government did not have that foresight. It did not have the foresight to see what the Prime Minister of today would do. It did not realize that the Prime Minister in a flight of fancy would travel to Bonn, bungle around and then meander to Morocco, and after having been struck by the sun return to Canada to tell the nation that he was fed up with inflation. What the hell is new? What an outstanding statement for the Prime Minister to make! That statement carried about as much credibility as the Prime Minister's statement about wrestling inflation to the ground. The Prime Minister suffers from a sore back. I do not think he has ever made it. Clearly he never will.

I caught the intervention just now of the hon. member for Athabasca (Mr. Yewchuk) that the Prime Minister needs a chiropractor. I would be delighted to have him as a patient. I cannot say that he would show any immediate response to my treatment; I would rather suspect he would get worse.

The spending of $427 million in the view of the Ministry of National Health and Welfare (Miss Bégin) virtually accomplishes the goal established by the Pearson government. That is not correct. All ministries of this government are suffering from restraint. All programs are suffering from restraint. There are programs which we on this side of the House agree clearly need restraint, but one should not mess around with the health of the nation or its people.

If we could establish a graph of the medical or health care facilities of this nation, that graph would rise from a zero point, or whatever point on the scale one might establish for the year 1966, to a high point in about 1974. From that point on it would stagger; sometimes it would go up and sometimes it would go down. It would go up with the whims of the minister of health in terms of funding the medical research community, and it would drop when the minister decided to extract something from the medical research community. I remember when the Minister of Justice (Mr. Lalonde) discovered $2 million in his pocket for medical research. That graph will now go down and stay down until a Conservative government comes in and changes the ball game. A Conservative government will put the priorities back where they belong.

An hon. Member: You will never see that.

Mr. Brisco: On December 12 before the Standing Committee on Health, Welfare and Social Affairs I asked the chairman the following question:

● (1720)

—Dr. Law might tell me whether she believes what has happened in the field of medical research, in the field of treatment for disease, in hospitals or out, as it now stands, could have been entirely predicted 15 years ago. Do you believe the current level of medical expertise in the treatment of disease today, thermonuclear medicine or nuclear medicine, for example, could have been predicted 15 years ago? Yes or no? It is that simple. The answer clearly is no.

DR. LAW: I think no.

MR. BRISCO: No, all right. Therefore, do you feel that 15 years from now or 10 years from now we will be at the same level of medical and diagnostic treatment, expertise, that we are at now, that we are not going to advance any further?

DR. LAW: No.

MR. BRISCO: Therefore, would you not say that it is logical to assume that a government, federal government, would consider seriously the continuation of the type of program that is contained within the provisions of this bill.

At that point the Chairman interjected:

I do not know that Dr. Law would wish to answer that question.

I commented that was all right, but the answer is obvious.

What I am trying to demonstrate here is that in spite of the absence of support from this government, research in all fields of the health community must continue. I made reference to nuclear medicine. We are seeing some astounding advances in that field. Those advances will be made to a limited degree in this country because we provide only a very limited degree of support to the scientific community. The advances will be made substantially in those countries which support the scientific community.

In his speech today the hon. member for Simcoe North (Mr. Rynard) dwelt for a considerable time on the subject of geriatrics. He rightfully pointed out that Canadians are living for a longer period of time. There is a desperate need for a more careful and more broadened understanding of the field of geriatrics, as the hon. member for Simcoe North pointed out. The hon. member said in honesty that there are those physicians who feel uncomfortable in the presence and in the treatment of the aged. I can understand that. It seizes their conscience. It is a reflection of the philosophy of today.

When I speak of that, I think of nations such as China, particularly Taiwan or the Republic of China, which carries on with the same philosophy it has had for centuries—respect for parents, grandparents and those most senior in the family. That kind of philosophy has eroded under the communist regime in Red China. It is not appreciated there. That kind of philosophy is in opposition to the state. However, it is still present today in the Republic of China.

That kind of philosophy is also seen in other nations, among other peoples. However, it has rapidly disappeard in this country. As a result, we are faced more and more with the need for extended care facilities, nursing home care and intermediate care. Call it what you may, it deals with the care of the aged and those who are approaching that era of sunset.

These problems are increasing daily. Because of today's society, children are no longer able to cope with their aged parents. They just do not know how. It will take a great deal of time to alter that philosophy. Those kinds of programs will be far reaching, reaching into the next century. We should be thinking of them today. They could well be encompassed in the continuation of this funding and an addition to the funding by means of another bill for an additional $500 million for

another five, ten or 15 years. At today's prices it would have to be for five years.

There is another area of need that gives me cause for concern. Other members spoke on the subject of care of our Indians. I noticed the interjection of the Minister of National Health and Welfare. She stated the bill did not have anything to do with the provision of medical care in terms of glasses, dentures and so on. That is true. I am not going to discuss that, at least for the moment; I will stick to the bill.

I suggest for her benefit that the minister review an article in the January 4, 1979 *Globe and Mail* entitled "TB considered serious problem in N.W.T. hamlets". I quote from the article:

Tuberculosis is a serious problem in the community of Rae-Edzo in the Northwest Territories and frustrated health workers are struggling against the disease with only mixed success, a health official says.

At least 48 of the twin hamlet's 1,600 residents are being treated for active tuberculosis and another 102 have been advised to take drugs because they risk developing it, said Dr. Thomas Covill, regional director medical services in the Northwest Territories for the federal Department of Health and Welfare.

Is the minister proud of those statistics? Is she concerned about the fact that for the first time in years we are seeing a rapid increase in the presence of tuberculosis in our Indian communities, a disease which was supposedly wiped out? What is the minister going to do about it? What could this government have done about it if it had taken the opportunity and given direction to the territorial governments, telling them they should be establishing a special clinic or hospital to provide facilities for the treatment of tuberculosis?

What is the tuberculosis rate at Lower Post? Does the minister have any idea how many Indians at Lower Post are afflicted by tuberculosis, how many are carriers and how many are potential carriers? Has anyone in this House heard the minister express any concern about the escalation of tuberculosis among the Indians of Canada? Does the minister know it is a direct reflection of the social conditions in those Indian communities? I have not heard a word from the minister about that. The article continues:

Others who asked not to be named said Dr. Covill's figures are outdated. They put the number of active cases at 57 or more and said more than 300 of the predominantly Indian residents have been told to take anti-TB drugs because of possible contact with the disease.

Dr. Covill acknowledged the incidence of TB is nearly 100 times greater in Rae-Edzo than in most of the rest of Canada. Rae-Edzo is about 80 kilometers northwest of Yellowknife.

● (1730)

In 1977, tuberculosis affected an average of 14.9 of every 100,000 people across Canada. In Rae-Edzo, the incidence was 14.66 of every 1,000.

Not every 100,000.

The situation was the same in the slums of any big city 150 years ago—

I point out to the minister that the situation was the same in the slums of any big city. What is the minister doing about it? Dr. Covill said, and I quote:

"Poor people suffer the disease of poverty and there is nothing medicine can do. Give them an adequate income, decent homes and economic security . . . then you are doing something."

[Mr. Brisco.]

Charlie Charlo, chief of the Rae Indian band and chairman of the Rae-Edzo hamlet council, said at least 20 homes are overcrowded. Many one-room dwellings were inhabited by eight to 16 people.

This is the responsibility of this government, and what has it done about it? It has sat back and waited for the rate of tuberculosis to increase to such a point that it equals the rate of tuberculosis in major cities in Canada 150 years ago, back in the dark ages. The chief said, and I quote:

Some of them may soon move into 18 newly built homes—

What will 18 newly built homes do for a community of 1,600?

But the problem was more complicated than that. Some residents were afraid to ask for treatment and others did not understand they had to take medication for as long as two years rather than just a few days.

Police have arrested known tuberculosis victims who refused treatment.

There lies another problem. If a tuberculosis victim arrested by the police knows his rights, we may well see a problem of confrontation. I agree with the actions of the police, and I am sure all hon. members would; but if a person afflicted with tuberculosis knows his rights, he may well appeal to the Human Rights Commission and say that he was arrested unlawfully.

Because tuberculosis is a communicable disease, it may well be that under certain legislation a person can be held, but he cannot be held indefinitely or until the tuberculosis is cured. At least I do not think so. Are we going to hold people indefinitely so that we can provide medicine for them for two years, and are we going to hold people who come into contact with people who have tuberculosis?

About $84 million is left in a program which has another two years to run. The program could be of enormous benefit in the treatment of tuberculosis, if nowhere else than just among the Indian people in the northern parts of Canada where the disease is most rampant.

I wonder if this government has ever looked at the programs of other nations where indigenous people such as our own Indians are provided with proper hospital care and the level of training needed so that they themselves can treat people of their own race, colour or whatever. Other nations are doing just that. There are provisions for the highest quality medical care and training. Where are the programs here? What kind of program could have been implemented by this insensitive government if it had not tampered with the most valuable element available to anyone, good health?

The minister allowed a few irresponsible people to manage a health care program in Saskatchewan. By her intervention today she demonstrated her frustration with regard to the provision of medical care for our Indians in terms of glasses, dentures and emergency treatment. I respect the minister's intervention because she is right. The matter did not relate directly to the bill, but I think the hon. member for Athabasca (Mr. Yewchuk) and our critic on Indian affairs were able to tie it in very nicely with the matters contained in this bill. The hon. member for Athabasca said that abuses are not committed by one group of people or any particular level in society.

He cited the experience he has daily working in the emergency ward of an Ottawa hospital.

What kind of department would allow a $12 million deficit in one province because of irresponsible management by officials? Let us make no mistake that it is the province of Saskatchewan which has triggered this reaction by this government. This reaction is the result of irresponsible officials who just did not know how to budget. They could not say no to someone who needed a tenth pair of glasses because the person had been in fights every month of the year. They could not say no to somebody who needed a sixth pair of dentures. They could not say no to somebody who wanted a free ride on an aircraft from La Ronge to Regina so that he could go out and get drunk.

I realize that those are the exceptions and not the rule, but the problem was that the people within the departments concerned, the Department of Indian Affairs and Northern Development and the Department of National Health and Welfare, did not have the guts to say no. As a result, in one province the department was $12 million over budget in one year, last year. We have not heard a word from the government about it.

In the committee, as recorded at page 7:21 of the report for December 12, 1978, the minister said the following:

> You want a simple answer, why were the provincial ministers not consulted on my cuts, because they are not elected in the federal portfolio; they have no accountability whatsoever of my budget to any Canadian voter and I really resent the suggestion of the member.

In other words, the minister was telling us that she runs the store and nobody else. There is no consultation, just confrontation. The word "confrontation" is not new to this government. I heard a beautiful example of confrontation on the radio the other day in Victoria. I suppose the hon. member for Comox-Alberni (Mr. Anderson) thought no one would hear or recognize his voice. I suppose he thought no one would be able to come back to this House and say that a parliamentary secretary went on the radio publicly and said that the hon. Tom Waterland, a British Columbia minister, is a fool. That is the kind of confrontation problems we have with this government.

It is no wonder the provinces are upset with this government when an irresponsible remark like that is made by a parliamentary secretary. I do not know whether the parliamentary secretary was speaking for his minister; perhaps he was. I have no way of knowing, but he said that clearly. I heard it with my own ears. God knows, I have heard the hon. member's voice in committee enough to recognize his voice. He received a proper introduction, and he said "the minister is a fool", referring to the hon. Tom Waterland. That was confrontation, and the statement by this minister was confrontation.

However, if the Minister of National Health and Welfare wants to run the store, I wonder why she did not tell the province of British Columbia, with reference to the Shaughnessy Hospital for Sick Children, that somebody in the provincial department sent her an application but that it was not signed. I wonder why the minister did not indicate that if the province of British Columbia wanted to qualify for assistance, it should have had its application in on time and made sure it was signed, and then the federal government would see that the province got the money.

● (1740)

The minister, instead, was very honest with them in Vancouver in June. She told them: "I will be winding down this program, so get in your applications in a hurry". I give the minister full credit for doing so. She told them in advance what was going to happen. They were slow in responding and as a result there will be a $4 million shortfall for the Shaughnessy Hospital for Sick Children in Vancouver to be borne by the taxpayers of British Columbia instead of the money coming from this program. It is correct that at least in part the province is responsible for that foul-up, but, after all, the minister herself said on December 12 at a meeting of the committee that she is responsible, that this is a unilateral effort, that the provincial people should not get involved and should not try to tell her what to do, that she is running the store—

An hon. Member: "Trying" to run to store.

Mr. Brisco: Yes, as my colleague says, trying to run the store.

I should like to comment on what the minister has had to say, as recorded in the proceedings of December 14 of the Standing Committee on Health, Welfare and Social Affairs, at page 8:7. She said:

> No, I never said that, Mr. Chairman. My full time is consultation with these bodies. I said that for Bill C-2, I did not consult the provinces, there was no way I could consult the provinces—unfortunately.

She went on to say:

> These bodies would have pressed their provincial governments, not the federal government. The initiative rests with the provinces to submit to us whatever projects they want to see us pay for.

That is very true and the minister is correct. But what the minister has failed to do is to reconcile that statement with the other statement she made on December 12 at a meeting of the same committee, when she said that she herself runs the store.

Let me say in conclusion that I will vote against Bill C-2 because there is no question but that health care for Canadians is of prime importance and must continue. I hope that in the next few months we will have an opportunity to introduce our own program which will provide for the concerns that have been mentioned in speeches by members of the House.

I should like to say in closing that my observation of speeches of the minister both in the House and outside the House on television is that at times there is a conflict in what she has said, as was pointed out today by the hon. member for Surrey-White Rock (Mr. Friesen). At the same time, in the words of the hon. member for Winnipeg North Centre (Mr. Knowles), the minister has demonstrated a degree of concern for the poor people of Canada of which I heartily approve. I feel that the minister does indeed have a heart, but I also feel that she is the unfortunate victim of policies inflicted upon the cabinet by the Prime Minister (Mr. Trudeau) who, returning

from Morocco, decided, during a heat stroke, to implement a program of restraint. All of a sudden he was smitten with an attack of nausea caused by the bug of inflation and advised the nation that he is fed up. I am just as fed up as the Prime Minister, indeed more, and because I am fed up I welcome the opportunity to vote against this bill and the opportunity, not too far down the road, to defeat this tired government.

Mr. Jack Hare (St. Boniface): Mr. Speaker, I am honoured to have the opportunity to take part in this debate which relates to the fields of science and research with which I have been involved. I will speak about this some time later and bring out some of the specifics of the scientific aspects with which I have been dealing. But let me say first, as many of my colleagues on this side of the House have said before me, that I sincerely sympathize with the minister in her efforts to cover up the shameful cutbacks in medical funds which are outlined in this bill. She stated in her opening speech on third reading of Bill C-2 that:

There was a need to curtail certain levels of planned expenditures in current and future department budgets for which I am responsible,

Instead of saying this, why was it not stated that a directive has come directly from upstairs to cut the expenses down as much as possible and still come up with a program which will make it look as though this was a government of restraint, about which the opposition has been speaking for many years? Why did the minister not say ths was a directive which came out of some of the fuddle-duddled thoughts of her boss who, as my colleague has just said, saw the light all of a sudden? Was it because, as another hon. member said, Proposition 13 was very much in the air at the time? Or was it just the sunshine of Morocco which gave him a heat stroke at a time when the Queen was visiting the country? Possibly it was these thoughts that were going through his mind which prevented the Prime Minister (Mr. Trudeau) from coming back to Canada and being an honourable host when the Queen visited this country to open the Empire Games.

The point I would like to emphasize in reference to Bill C-2 is not that the government has finally realized that restraint is important, but that its method of imposing this restraint by sudden, arbitrary cuts reflects nothing else but poor management of the whole situation. This was discussed briefly by my colleague, the hon. member for Brome-Missisquoi (Mr. Grafftey), but allow me to elaborate in a few words.

Back on November 21, in my maiden speech to the House, I spoke on the subject of management in government circles. In addition to some nine years of studies into biochemical and nutritional science techniques, I have been involved, since I left the research field, with business circles for the last 20 years. I pointed out in my speech that good management must apply in government just as in business. The businessman who uses poor management and ends up with deficits year after year ends up in bankruptcy. This is just what is happening to the present government, and this is what is going to happen to Canada.

The restraints being put into effect by the federal government now are very much needed, as they have been over the last eight or ten years, but the fact should have been realized before this program was started in 1966. The inability to plan and to manage of the Trudeau government is now showing up, and all of a sudden savings must be made and spending cuts applied in a hurry. So we see the band-aid efforts that are in effect. This is the difference between good and bad government. Just as in business, a good government looks ahead and plans on a total financial basis for many years ahead, through wise judgment and planning on the part of wise, conscientious and knowledgeable politicians and administrators. They utilize their experience and wisdom to plan the best methods of achieving optimum results.

A bad government, on the other hand, gives little thought to the future. The plans and the budget are only loosely coordinated. There is little planning and there is little thought for optimization of finances and the ensuing results. This is the present state of affairs as it applies to Bill C-2. The years of poor planning and mismanagement of the present government have caught up to it, and now the country is in deep trouble. It is easy merely to take a pencil and erase figures in the budget for the immediate future. That would provide a turnaround; it is a very simple financial transaction. But even in the planning of such restraint, thought must be given to a method of maximizing the value of dollars being spent. This should have been done by the present Liberal government ten years ago, and it should have been continued as years went by.

• (1750)

At a time when dollar efficiency must be maximized, certainly it is a sign of poor management to cut research dollars. Surely a decrease of 17 per cent in the original research expenditure on short notice shocked those involved in the program. It is relatively easy to cut straightforward spending programs on a short notice basis, but research is an area which requires time to plan the general research program and to train personnel whose backgrounds are precise and specific. Also the necessary equipment for research is complex and costly. This area requires careful study to ensure optimum dollar effectiveness. Optimum returns to dollar expenditure may be realized in the area of research.

The ramifications of the proposed cut in medical funding portends grave implications for the quality of future health care in Canada. Largely, medical research is carried out under the auspices of universities and medical schools where the doctors of tomorrow learn the specialized skills of their professions. There is a direct link between research and practice in the field of medicine. Both are conducted under the same roof and reinforce each other. Any cut in medical funding lowers the standard of medical education which cannot help but result in diminished standards of medical care. The reductions in medical research caused by cuts in government funding in many instances will deprive physicians and surgeons of the consultation they require to perform their functions. In life and death situations good advice is crucial, and such good advice does not come cheaply. Yes, it is expensive but necessary. Fiscal restraint is not justified when the fate of a patient

on the operating table is at stake. Practising doctors need the advice of researchers. Without it, severe limitations are placed on their capabilities.

The proposed cuts will have geographic implications as well. In the past, the lion's share of medical research funds went to institutions in Montreal, Ottawa and Toronto. Newer facilities in western Canada, which commenced the development of research units in the past five to ten years, will feel the pinch of such cuts proportionately more than medical institutions and schools in central Canada. Cutbacks will have a devastating effect upon programs which are just getting off the ground.

Canada has lagged behind other countries in the provisions of funds for medical research. For example, the United States spent more than $1 billion in 1978 alone, and that is only its federal government funding. The annual federal allocations in Canada pale in comparison to those in the United States. In 1978, some $63 million was expended by the Department of National Health and Welfare, and now we are faced with a cut in the health resources fund which will reduce medical spending by $84 million.

The bill we are discussing at the present time is a very important one, as spending in medical research and development is a large and significant factor when one considers the total dollar spending of government.

The cuts will have serious effects upon the quality of people in medical schools. Young medical researchers are most attracted to research institutes and universities offering opportunities to conduct high quality research in their areas of precise scientific and medical studies. These opportunities are reduced when medical research funds are cut by government. In that event medical researchers are obliged to look elsewhere, such as to the United States which seems wiser in this area and sees fit to support health research on a scale heretofore unknown in Canada. Is the government prepared to see an exodus of our best doctors and students south of the border? How much will it cost to recoup the actual and potential loss of medical knowledge and progress, which almost certainly will result from an $84 million cut? Is this the beginning of a trend whereby it will be necessary to import medical breakthroughs because the government blocked research money which would allow them to happen in Canada? Will we have de-medicalization as well as de-industrialization? My party has never been more serious in opposing a bill and its ramifications for the Canadian public than it is now.

The rationale of the quick change in thinking of the Prime Minister abruptly altered the lives of a great many Canadians. Perhaps it would not be so bad if it did not apply to the health of individual citizens. In one of the contributions on this side of the House, it was mentioned that the cost of polio research was only $41 million. The savings brought about by this one simple discovery amounted to over $200 million per year in Canada alone. How much money has this $41 million expenditure saved other countries around the world?

Polio is only one example. All members are aware of the efforts of one of Canada's foremost research teams in the years subsequent to the First World War. I am referring to Drs. Banting and Best who discovered insulin at the University of Toronto. Although the cost of that discovery was negligible, it saved Canada a large amount of money because now insulin is available for diabetics. Also it saved billions of dollars around the world.

As it is now six o'clock and I have further material to present, Mr. Speaker, I trust I may continue tomorrow.

Mr. Pinard: Filibuster.

The Acting Speaker (Mr. Turner): It being six o'clock, this House stands adjourned until tomorrow at two o'clock, pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 8, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

AIR TRANSPORT

CRITICISM OF ENFORCEMENT OF AIR SAFETY REGULATIONS—CALL FOR MINISTER'S RESIGNATION—MOTION UNDER S.O. 43

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. It arises from a news story by Tom VanDusen in today's Ottawa *Citizen* in which he quotes a government task force report that "enforcement of Canada's air safety regulations is generally unco-ordinated and often haphazard".

This is contrary to the answers given in the House by the Minister of Transport (Mr. Lang) as recently as last Monday in which he assured that highest performance and safety standards were being followed. Therefore, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That this House calls for the immediate resignation of the Minister of Transport (Mr. Lang) and calls upon the Prime Minister (Mr. Trudeau) to order an immediate inquiry into all aspects of air safety.

Some hon. Members: Hear, hear!

Mr. Stevens: Out, out!

Mr. Speaker: Pursuant to the provisions of Standing Order 43, presentation of such a motion can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Paproski: Otto Lang said no.

* * *

POST OFFICE

UNION DISCIPLINING MEMBERS FOR OBEYING BACK-TO-WORK LEGISLATION—COMMITTEE STUDY—MOTION UNDER S.O. 43

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact the Letter Carriers' Union now is disciplining its own union members who crossed CUPW picket lines in order to obey the back-to-work legislation passed by the House, and in view of the statement of the Postmaster General (Mr. Lamontagne) that this is only an internal matter for the union, I move, seconded by the hon. member for Hamilton-Wentworth (Mr. Scott):

That this House direct the government to refer this matter to the Standing Committee on Justice and Legal Affairs to investigate and report on what action should be taken on this grave question of principle: does an ordinary worker obey the law of the union, or the law of Canada, when the two are in conflict?

Mr. Speaker: Presentation of such a motion for debate requires unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

STATUS OF WOMEN

MINISTER'S ADHERENCE TO OPEN-DOOR POLICY FOR WOMEN'S GROUPS SEEKING EMPLOYMENT ASSISTANCE—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact the Minister of Employment and Immigration (Mr. Cullen) told the House on January 26 that he was prepared to consult and meet with women's groups concerned about his department's undermining of employment services designed to assist women, but whereas on two recent occasions the minister categorically refused to meet with the Ottawa Women's Career Counselling Services, a successful Outreach project, I move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That this House calls upon the Minister of Employment and Immigration to keep his promise of an open-door policy and to meet as soon as possible with bona fide women's groups who do not want the minister to destroy employment assistance for women.

Mr. Speaker: Presentation of such a motion can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

● (1410)

[*Translation*]

BILINGUALISM

LAY-OFFS OF LANGUAGE TRAINING STAFF—MOTION UNDER S.O. 43

Mr. Gérard Laprise (Abitibi): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

Considering that, contrary to the allegations made by the President of the Treasury Board (Mr. Buchanan), there is evidence that over 2,000 applications have been made to the government language school; considering that those applications have been filed but no acknowledgement nor replies have been sent; considering that in spite of those applications the minister still declines to keep the staff on duty to meet the requirements; and considering that the decision to reduce the training staff by almost 600 teachers is obviously based on inaccurate statistics, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the minister reviews his decision and, considering the applications effectively registered in relation to those which have been filed but have yet to be registered, that the minister delay the lay-off of teachers to the original date set for 1983.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, presentation of such a motion for debate requires the unanimous consent of the House? Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

EXTERNAL AFFAIRS

REQUEST THAT HOUSE URGE MR. BHUTTO OF PAKISTAN BE GRANTED CLEMENCY—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, on March 21, 1978, this House unanimously passed a motion proposed by the right hon. member for Prince Albert (Mr. Diefenbaker) urging the government of Pakistan to commute the death sentence imposed on former prime minister Bhutto.

In view of the split decision of the Pakistan supreme court in considering the appeal and the announced intention of the government to carry out the sentence, and in view of the possibility of renewed violence in Pakistan if the sentence is carried out, I move, seconded by the hon. member for Okanagan-Kootenay (Mr. Johnston):

That this House, out of humanitarian concern for the stability and well-being of Pakistan, respectfully urge the government of Pakistan to grant clemency to Mr. Bhutto.

[Mr. Speaker.]

Mr. Speaker: The introduction of such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

FISHERIES

CALL FOR STATEMENT ON EXPORT POLICY OF FFMC—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Under the provisions of Standing Order 43, Mr. Speaker, I rise on a matter of urgent and pressing necessity.

In view of the fact that the Freshwater Fish Marketing Corporation has been cultivating the Canadian market, attempting to get Canadians to eat more freshwater fish, and in consideration of the fact that the Independent Fish Company Limited of Winnipeg has been denied fish from the FFMC, with the explanation being that orders to foreign markets must be filled first, I move, seconded by the hon. member for St. Boniface (Mr. Hare):

That the Minister of Fisheries and the Environment make a statement on motions today stating whether or not it is a policy of the FFMC to give priority to foreign orders before meeting the needs of the Canadian market, and further explain how this practice allows Canadians to follow the "Buy Canadian" policy.

Mr. Speaker: The introduction of such a motion for debate at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

SAFEGUARD PROVISIONS IN SALE OF NUCLEAR REACTORS TO ARGENTINA—MOTION UNDER S.O. 43

Mr. Andrew Brewin (Greenwood): Mr. Speaker, under the provisions of Standing Order 43, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House direct that the negotiations entered into with the government of the Argentine for the sale of a second Canadian nuclear reactor be discontinued by AECL until it has been clearly established that materials from the present reactor sold by Canada to the Argentine are not being used for the production of nuclear weapons material, as suggested in a statement by Admiral Madero, president of the Argentine National Atomic Energy Commission.

Mr. Speaker: The presentation of such a motion for discussion at this time would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

DEVALUED CANADIAN DOLLAR—EFFECT ON CONSUMER PRICES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance who, as we all know, has spoken very fondly of his falling dollar.

Can he tell the House today some of the consequences of the fall in our dollar, consequences in respect of consumers in Canada? In particular, would the minister indicate to the House whether he is aware that beef is now selling in Omaha for $64 per hundredweight and the same type of beef is selling wholesale in Toronto for $78 to $80 per hundredweight, with the main difference between the two prices resulting from the discounted Canadian dollar?

● (1415)

If the minister is aware of this, would he indicate to the House whether or not his department has done any study to determine the effect of Canadian-produced beef on consumer prices in Canada and, if so, could he tell the House what that study shows?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I said in committee this morning that I was well aware that the devaluation of the Canadian dollar, while providing many benefits on the production side and the export side, has had some bad side-effects on the inflationary side of the economy. I have said many times that it is not unexpected, when there is devaluation of a country's currency, to suffer price increases due in many cases to prices established on international markets. I do not deny that the government is preoccupied with this matter.

I believe that the effect of beef prices on production in Canada, however, is not only related to the devaluation of the dollar. Many people are of the opinion—and there is some truth to it—that perhaps beef prices were too low some years ago and, as a result, herds were depleted. Producers are in the process of rebuilding their herds and, of course, if prices are higher it helps those producers to achieve a better production level.

Mr. Stevens: Mr. Speaker, I am sure that all knowledgeable members of this House realize that beef prices for a time were unduly low. Would the Minister of Finance not agree that possibly half the increase in beef prices in Canada has been due to the fall in our dollar?

Would he also indicate to the House what has been the effect of his falling dollar on lumber prices in Canada? Yesterday, we learned that companies in the forest products industry had their profits increase by 86 per cent. Would the minister explain to the House the fact that lumber prices have been going up because of his cheap dollar policy?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I said earlier that there are in the devaluation of our dollar negative effects which are mentioned by the hon. member. However I would like to advise him that we now have a dollar which makes our industrial products much more competitive on world markets, made it possible to create 125,000 new jobs in 1978 in our industrial sector. We could also increase from 82 to 87.5 per cent the use of industrial capacity in Canada thereby putting 450,000 additional people to work in one year.

[*English*]

Mr. Stevens: Mr. Speaker, the Minister of Finance speaks of the cheap dollar helping our exports, which is a nice way to explain that the Japanese now find that it takes half the number of yen that it used to take to buy the same amount of resources from this country. But manufacturing goods are not any more competitive, in spite of his cheap dollar.

Some hon. Members: Oh, oh!

Mr. Stevens: Would the Minister of Finance, who tries to convince the Canadian public that his cheap dollar is a good policy, tell the House if they have conducted any study to determine to what extent Canadian retailers and other merchants have tended to increase their prices in response to higher import prices, as opposed to leaving their prices lower to take more of the Canadian domestic market?

Mr. Chrétien: Mr. Speaker, I am very amazed that the hon. member would want to compare prices in Canada with Japan. I am informed by the Minister of Agriculture that a pound of meat in Japan costs $15. I think we are producing very well in Canada. I do not want to repeat the explanation I gave for an hour and a half this morning in committee and again this afternoon, but I think it is quite evident that the weaker the argument of the hon. member, the louder he speaks.

ACTION OF MINISTER TO PREVENT INFLATIONARY SPIRAL

Mr. John C. Crosbie (St. John's West): Mr. Speaker, a supplementary to the Minister of Finance. A non-answer in Canada is the same as a non-answer in Japan. The minister might as well use Japanese as English when he answers our questions.

As the minister sees it, the main risk in the economic situation is that the inflationary spiral will get under way again. That is what he said in his speech two days ago. There

are many signs of domestic inflation, apart from the imports which are affected by the depreciated dollar. The wholesale price index increased by 11.5 per cent in the 12 months ending in November. The industry selling price index increased by 9.8 per cent in the twelve months ending in December. The non-residential building construction price index was up by 8.4 per cent, and the residential building construction price index was up by 10.8 per cent in the twelve months ending in December.

● (1420)

In view of these indications, would the minister tell us what steps he is now going to take to deal with what he himself says is the main risk in our economic situation? What is he going to do?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the hon. member forgets to mention that the consumer price index went down from 9.8 per cent in July to 8.4 per cent last month. The CPI is the composite indicator of all price levels in Canada.

I said in October of 1977 that we would end the controls and that we should have confidence in the marketplace, and in the speech I made in Toronto on Monday I said that everyone will have to fulfil his responsibilities. I said that I am not against profits but that profits should be used to reduce prices or be reinvested in productive capacity in order to increase it and to make Canadian goods more competitive on world markets. I think both labour and management have done quite well in this regard since the end of controls and I hope they will continue to fulfil their responsibilities in 1979.

Mr. Crosbie: Mr. Speaker, the minister seems to indicate that his only policy is a policy of jawboning, and if his jawboning is no more effective outside than it is in this House, we are in desperate straits.

Two days ago, in our House of Commons committee, the governor of the Bank of Canada said:

A substantial decline in the value of the Canadian dollar relative to the United States dollar had become inevitable because of the higher rate of price and cost inflation in Canada than in the United States earlier in the 1970s.

The minister's party was in power then and it is in power now. If that was true in the earlier part of the 1970s, is it not also true that if we have a higher rate of price and cost inflation this year, we will be in great difficulties again? The minister's forecast of price inflation, which has just been raised from 6.5 per cent to 7.5 per cent, is higher than what is expected in the United States this year. Does this not indicate a very serious outlook for us?

Mr. Chrétien: Mr. Speaker, I changed my forecast from 6.5 per cent to between 7 per cent and 7.5 per cent. That is an increase, but I think the inflation situation in Canada will be as good, if not better, than the situation in the United States. It is at this moment, and that is why I made that speech urging all Canadians to show restraint and responsibility so that we can keep our faith in the marketplace and let the market forces decide the levels. However, everyone will have to show responsibility and restraint if we want to achieve our goal.

REQUEST THAT BANKS REDUCE CHARGES TO CONSUMERS IN VIEW OF EXCESS PROFITS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the Prime Minister has said, and the Minister of Finance just said, that profits should be used to reduce prices. We now have an excellent opportunity to test the integrity of the government.

The Economic Council of Canada released a report earlier this week indicating that consumers and businesses paid chartered banks up to $500 million in what were described as "excess profits" between the years 1968 and 1973. Since 1973 the Big Five Canadian banks have had even higher profits, culminating in almost $1 billion last year, a 33 per cent increase in one year.

Will the minister put into practice what he has just preached, call in the chartered banks, point out these excess profits to them and urge them to reduce their charges to consumers and, specifically, to roll back the announced increase to 21 per cent in Chargex rates?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I think the hon. member is putting a little too much faith in the report from which he is reading, because there has been a disclaimer by the Economic Council of Canada that it does not necessarily subscribe to that study. According to my information, that study is quite old. Those figures are for three or four years ago. They have been debated in many places, and we cannot take them at face value.

I have said that we hope profits in Canada will be used to increase productive capacity and to help reduce price increases, but since October of 1977 and since I became Minister of Finance, I have said that there should be no more controls in the marketplace. The hon. Leader of the New Democratic Party asked us to get out of controls. Now that we are out of controls, let us let market forces decide.

● (1425)

Mr. Broadbent: Mr. Speaker, I am not going to question the honesty of the minister at this point, but I draw to his attention that I quoted figures from 1968 to 1973, which was under study. I also pointed out, as he should bloody well know—

Some hon. Members: Oh, oh!

Some hon. Members: Order.

An hon. Member: Hold him down, Stan.

Mr. Broadbent: —that since 1973, profits of the banks have increased at higher levels than they were in that period. Given the fact that the minister just said to the House in reply to an earlier question that profits should be used to reduce prices, will he now implement what he just said and make sure that

the banks, which have excess profits, give the Canadian consumer some justice at long last?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I think the hon. member believes there is no competition on the marketplace at the present time. For example, when we increased the interest rates because of a very high level of competition in the mortgage market, while short term interest rates went up very quickly because of the competition on the market, mortgage rates on houses did not increase because there was some competition. I am aware that banking costs increased in some banks where profits are not very high; some other banks, however, did not follow that initiative. Take the Toronto-Dominion Bank which increased costs for the Chargex card whereas other banks did not follow that example because they thought it undesirable for the customers.

[*English*]

Mr. Broadbent: Mr. Speaker, I have rarely heard such hypocrisy in all my life. The Minister of Finance just indicated to the Conversative party that, not those who are simply making profits or reasonable profits, but surely those making what the Economic Council has described as excess profits should be plowing them back to help the ordinary Canadian. He has the opportunity right now to take some action. He has backtracked completely on what he indicated he would be prepared to do just two minutes ago. The same report says:

> If no excess profits . . . had been earned by the bank shareholder . . . the cost of banking service would have been lower—

This means that mortgages, consumer, small business and farm loans could have been lowered. Is the minister now saying that all of these, which is to say Canadians from coast to coast, must be overcharged because he wants to protect the profits of the banks?

Mr. Chrétien: Mr. Speaker, at first the hon. member said that these are the figures of the Economic Council of Canada. If he reads the report, the Economic Council of Canada has a disclaimer; they say they are not responsible and they do not take that responsibility. The hon. member is not being very fair when he gives the impression that these are figures of the Economic Council of Canada.

I would like to repeat that the figures in that study are at least five years old and there is a lot of controversy about them. Of course, the hon. member takes them at face value. He will appreciate that, as Minister of Finance, one has to look into these figures before taking them at face value. It is the least a Minister of Finance can do.

● (1430)

[*Translation*]

UNEMPLOYMENT INSURANCE

REFUSAL OF BENEFITS TO CERTAIN PERSONS—MINISTER'S POSITION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It deals with the problem that cropped up as a result of the amendment to the Unemployment Insurance Act on January 1, 1976 concerning persons of 65 or over. As we know, judges made a ruling last November on that group of recipients and asked the Unemployment Insurance Commission to pay unemployment insurance to those people, even though they had applied for a pension under the Quebec Pension Plan or the Canada Pension Plan. Can the minister tell us whether he has reached a decision and asked the Unemployment Insurance Commission to accede to the wish of the judges who ruled in that case?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, we now have 36 appeals in that connection before the arbiters of the federal court. We have also suspended their overpayment collection.

Mr. Laprise: Mr. Speaker, on a supplementary to the minister. I am trying to find out whether those people who were refused unemployment insurance in early 1976 will get the benefits to which they are entitled according to the judges?

Mr. Cullen: Mr. Speaker, we have received representations from the hon. member for Gatineau in that regard. We are now looking into the situation, but we must first get the result of the appeal after which we will take a decision.

* * *

[*English*]

LABOUR DISPUTES

UNION DISCIPLINING MEMBERS FOR OBEYING BACK-TO-WORK LEGISLATION—GOVERNMENT POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in the absence of the Postmaster General and the Minister of Justice, I direct my questions to the Minister of Labour, keeping in mind that the back-to-work legislation with regard to the Post Office was introduced by his predecessor.

On January 31, my colleague, the hon. member for Hamilton-Wentworth, raised the fact that the Letter Carrier's Union was disciplining its members who crossed CUPW picket lines after this House passed back-to-work legislation. In view of the fact the Postmaster General said this was an internal matter only for the union, my question is: what law governs an ordinary union member in the federal public service, the internal law of the union or the law of Canada as passed by the House of Commons of Canada?

Hon. Martin O'Connell (Minister of Labour): Mr. Speaker, that is not a very difficult question to answer. Of course, it is the law of this parliament that governs the behaviour of citizens.

Mr. Fraser: When asked practically the same question by my colleague, the Postmaster General said, in effect, there is nothing the government can do; this is an internal matter. Will the Minister of Labour take the necessary steps to have this issue taken directly to the Standing Committee on Justice and Legal Affairs to investigate what is going on and come back with a report, so that the principle which I have just put to the Minister of Labour and to which he has agreed will in fact be the rule of law in Canada?

Mr. O'Connell: Mr. Speaker, I am sure there is no divergence of view between the Postmaster General and myself. Second, it would be important to ascertain whether the incidents which are alleged to have taken place took place before or after the statute was passed in this House.

Mr. Fraser: It was after; that is what I said.

Mr. O'Connell: In any case, what I would like to say in reply is that I will discuss this matter with the Postmaster General before making any kind of commitment with regard to a referral to a standing committee of this House.

PROTECTION FOR POST OFFICE WORKERS AGAINST DISCIPLINING BY UNION

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I am in daily contact with some of the accused postal workers in the Hamilton area. They had always been under the clear impression that they would be protected if they went back to work, as indeed parliament ordered them to do.

As an answer to the minister, I can say that these alleged violations came after parliament's legislation. Does the Minister of Labour stand by a statement by the then minister of justice, when he said at page 344 of *Hansard* for October 23:

> Mr. Speaker, we have been, as has the Post Office, urging the return of these various employees to work, assuring them of every possible protection in the exercise of what is now their legal duty.

When the Minister of Labour is consulting with the Postmaster General, will he find out what protection the government is giving to them now that they face what is referred to in Hamilton as these kangaroo courts?

Hon. Martin O'Connell (Minister of Labour): Mr. Speaker, I heard the representation.

Some hon. Members: Oh, oh!

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I have a very brief supplementary. Does the Minister of Labour stand behind the clear undertaking given in this House by the Minister of Justice?

Mr. O'Connell: Yes, indeed, Mr. Speaker.

TRADE

RESTORATION OF INTERNATIONAL WHEAT AGREEMENT—STATE OF NEGOTIATIONS

Right Hon. J. G. Diefenbaker (Prince Albert): After that answer, Mr. Speaker, hope again springs eternal in the human breast.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I should like to direct a question to the Minister of Industry, Trade and Commerce in connection with a matter that deeply concerns farmers, particularly those in western Canada. My question is, is any progress being made in connection with the International Wheat Agreement, 1971, being restored and brought into effect? After I have his answer in that regard, I would like to ask a supplementary.

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, as near as I could ascertain today, the group meeting in Geneva will probably break up tomorrow, not having reached an agreement. Whether they have decided to convene at a later date, I do not know as yet.

Mr. Diefenbaker: Mr. Speaker, that is a death-blow to the western wheat farmer. Is the reason for the break-up the fact that the stand taken by Canada, and also by Australia, displayed an intransigent attitude on the part of Canadian representatives in one particular, and also the other country, Australia, to which I referred? What is the reason for the break-up? Is it stubbornness on the part of Canada, or just stupidity?

Mr. Horner: Mr. Speaker, I like to think the Canadian negotiators are trying to negotiate the best possible arrangement for Canadian producers, having regard to creating security of markets and the best price that can be achieved over the long term for our producers.

* * *

[*Translation*]

SOCIAL SECURITY

ALLEGED WITHDRAWAL BY QUEBEC OF FEDERAL GOVERNMENT'S MONTHLY PAYMENT OF $20 TO ELDERLY PERSONS

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is for the Minister of National Health and Welfare.

Is the minister aware that the Quebec government is using the extra $20 that guaranteed income supplement recipients have been receiving since January from the federal government to supplement its own budget and that it is retaining, in a rather dubious fashion, the increase that is supposed to be for all senior citizens living in that province's institutions? If so, does she intend to ask the supposedly social democratic authorities of that province to cease and desist from this

shameful practice which seems to be built in that province's system and which is contrary to any good social democratic government?

Hon. Monique Bégin (Minister of National Health and Welfare): Unfortunately, Mr. Speaker, senior citizens living in homes have reported to us that rents have increased by the amount of the indexation for January plus all or three quarters of the $20 increase. I find this last increase unacceptable and unjustifiable by the Quebec government which is recuperating, through senior citizens, moneys to which it has no claim. I can understand that provincial governments take back the indexation added every three months to the GIS, because they must face increased costs in salaries, food, electricity and heating for those institutions. But in no way do they have the moral right to do what is unfortunately being done in Quebec and also Ontario, the two largest provinces, and what I consider an anti-social act.

* * *

● (1440)

[*English*]

UNEMPLOYMENT INSURANCE

IMPACT OF UI CHANGES ON WOMEN—REQUEST REGULATIONS BE AMENDED

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Employment and Immigration. In view of the fact that six provincial advisory councils on the status of women, as well as the federal advisory council, have written to the minister drawing attention to the impact of UI changes upon women, and in view of the fact that the hon. gentleman has given an undertaking to change the regulations if the impact is serious, can he give an assurance to this House that he will, by regulation, amend the 20-hour provision?

Hon. Bud Cullen (Minister of Employment and Immigration): We are at the present time studying the recommendations made not only by that group but by many others. As the hon. member knows, having spent many hours at the committee meetings, we deliberately worded the regulation to read "up to 20 hours" so that changes could be made if the effect was detrimental. We are considering that section.

Mr. Rodriguez: We are, indeed, hopeful from the minister's comments that he is studying the effects of this 20-hour, part-time work provision.

Since these councils on the status of women are holding their meeting on February 21, can the minister undertake to expedite these studies so as to be able to inform the advisory councils of the result in time to enable them to plan further action?

Mr. Cullen: I am not sure we can meet that date, or even whether we will come up with the answer which the hon. member is suggesting. I did say we were studying the impact to determine whether it is having the result some people are suggesting. I am satisfied that some of the changes we made will have to be modified, but until a complete study has been made I do not want to commit myself.

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AIR TRANSPORT

CRITICISM OF ENFORCEMENT OF AIR SAFETY REGULATIONS—CALL FOR MINISTER'S RESIGNATION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the Minister of Transport. Bearing in mind the severe condemnation levelled against the administration and enforcement of air safety regulations by the government's own task force, and given the fact that the minister, on Monday, accused opposition members of being irresponsible and of having no basis for alleging that air safety was deteriorating in this country, would the hon. gentleman not consider correcting or withdrawing his statement of last Monday; or perhaps he might choose the more honourable course of resigning?

Hon Otto E. Lang (Minister of Transport): The hon. member overlooks the fact that it was because of some concern about our total package of enforcement measures that we created this task force to look into the matter and see what could be done about the situation.

The hon. member refers, as he did in his proposed motion under Standing Order 43, to a report in the newspaper today which is wrong in at least one important respect: it says that the report from the task force has been presented to me. It has not. I do not know how much else in that report is wrong, but I would hope the hon. member would also notice that what the report addresses is the question of how much regulation, enforcement and punishment we are effectively putting in place in relation to the whole aviation system. The report notes that a great deal of the responsibility rests with the good sense and law-abiding feelings of pilots, owners and operators of aircraft providing services. This is very often a very sound basis on which to be secure about safety, given the high quality and high standards of these people. The industry can, indeed, be self-regulatory to a large extent. We are concerned about back-up measures, though, and that is why we are studying the matter.

Mr. Mazankowski: The minister is really backtracking; I hope he does not stumble and fall. He may not have to resign, because the next election will take care of that. Can we expect this report to be made public, or will he attempt to smother it as he seems to imply in his answer to me?

Mr. Lang: If it is, indeed, the report which the *Citizen* has referred to, I suppose one might say it is obviously going to be made public in one way or another. Our tradition in a very open department is to—

Some hon. Members: Oh, oh!

Mr. Lang: —place reports of this sort in our library, where they are indexed and available to the public, even if we do not feel they are necessarily of the sort that deserve to be printed. I say "a very open department", noting the "raspberries" from the other side, because they may not know that we have thousands and thousands of documents available in the library.

* * *

ADMINISTRATION OF JUSTICE

BOEING CONTRACT—REQUEST FOR TABLING OF EVIDENCE GIVEN BEFORE THE SEC

Mr. Allan B. McKinnon (Victoria): Speaking of open departments, I have a question for the Solicitor General.

Some hon. Members: Oh, oh!

Mr. McKinnon: On Tuesday, the Solicitor General gave us some details from the testimony of a Boeing consultant given before the SEC in Washington. As there are still many questions having to do with this matter which are unanswered, will he table the testimony which the consultant gave to the Securities and Exchange Commission?

Hon. J.-J. Blais (Solicitor General): As I understand it, there was a deposition by Boeing in an action commenced by the Securities and Exchange Commission. That is what I was referring to. Again, as I understand it, this document is in the public domain in the United States and could be obtained by the hon. member.

Mr. McKinnon: This is a very long way from the answer the Solicitor General gave when asked by the Leader of the Opposition to tell us the name of the person or persons alleged to have received these payments. He said:

> Yes, Mr. Speaker. The individual who testified before the SEC was a gentleman who was identified as a consultant of Boeing.

He was quoting from testimony, as he well knows. Since Boeing has admitted making double payments in Canada, which payments would inevitably increase the cost of aircraft, and since two of the organizations which purchased planes from Boeing are government organizations, these costs would inevitably be passed on to the taxpayer. I believe the taxpayer has a right to know how these extra costs are incurred.

To clear up this matter, would the Solicitor General refer the situation to the public accounts committee and give the committee authority to call the Boeing consultant as a witness?

Mr. Blais: Again, the hon. member indicates, as he did yesterday, that a double payment was made by Boeing to the consultant. I again invite the hon. gentleman to tell us what he is relying upon in making that allegation.

Mr. Gillies: Boeing said so.

ENERGY

DOMESTIC OIL PRODUCTION—STEPS TO DECREASE DEPENDENCY ON IRAN

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, because some 24 per cent of the oil Canada imports comes from Iran, and since there has been very little production for months and not much indication that there will be a resumption of supply in the immediate future, would the Minister of Energy, Mines and Resources share with the House his assessment of the situation and tell us what steps Canada is taking to replace this oil and to decrease our dependency upon oil from Iran?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I have indicated in recent answers that the situation is a serious one and that there might well be shortages affecting eastern refineries. The corporation which owns these refineries has been making plans, running down its storage and inventories and making other arrangements for shipments. For example, a very substantial shipment arrived in Port Tupper today from Kuwait.

The most promising prospect, in my view, has to do with exchanges involving Canadian oil which would be moved through the Canadian system to Chicago, replacing oil which would otherwise be brought up to that city from the United States east coast. Instead of going to Chicago through the United States system, that oil would go to Canadian ports and refineries. I believe arrangements concerning something in the order of a million barrels have already been approved by the National Energy Board, and there may be applications involving as many as three million barrels under these exchange arrangements. This would provide, as a temporary measure, a degree of security for Canadian refineries.

EFFECT OF 1974 AGREEMENT ON INTERNATIONAL ENERGY PROGRAMS

Mr. Allan Lawrence (Northumberland-Durham): As the minister knows, I gave him notice this morning of a question along the lines of the one he has just received from a Liberal backbencher. I am sure the information was not leaked to that hon. member. As the minister also knows, Canada was a signatory to the 1974 agreement on international energy programs which, in effect, compels participating nations to share the consequences of any world shortage of oil production. Obviously, with the curtailment of Iranian supplies there has been a decline, certainly in this first part of 1979, of a significant amount of production.

● (1450)

Has Canada received any notice or, in turn, has Canada given notice to any of the other signatories or participating nations respecting this shortage? Are we being compelled, rather than the swap deal with the United States, to make up any shortage to the Americans, they to us or we to any other western nation?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): No, we are under no obligation at present to make any shipments to any other countries, including the U.S. The arrangement which we have put into place—when I say "we", that is to say Canada and the corporations involved in the importing of oil—was made through deals that they have made with other companies in the United States, the submissions being approved by the National Energy Board under general Canadian government policy.

Those arrangements, we believe, will see Canada through the difficulties of the near-term. They are, I think, a sound way to deal with the situation. They are a temporary solution. I do not see, at present, any indication that the trigger mechanism of the International Energy Agency will be pulled which will obligate Canada under those provisions to provide a cutback. I think that was the import of the hon. member's question.

Mr. Lawrence: As the Minister of Energy, Mines and Resources is well aware—I am sure he has been watching the same quotations as we have from the Americans, especially Mr. Schlesinger, regarding the policy of rationing in the United States—obviously, if we are part of an international deal which will require us to help them make up their shortfall, which is what parts 1 to 5 of the 1974 agreement call for, would the minister indicate whether, if that happens, we will automatically be going on a rationing system as well? What are the possibilities of this? Is there co-operation with them in that respect? Has the minister had discussions with his counterpart in the United States about rationing for North America?

Mr. Gillespie: Mr. Speaker, I think the question is a little confused in that it suggests Canada would be under an obligation to export under the International Energy Agency arrangement. That is not the case. The obligation we would have, in the event that the International Energy Agency provisions were triggered, would to cut back our imports in the same way that other countries would be obliged to cut back their imports and their consumption, and I think the key question—

Mr. Lawrence: Domestic consumption.

Mr. Gillespie: No, Mr. Speaker. The hon. member said we would be obligated to cut back our domestic production. We do not have the obligation to cut back our production. The hon. member keeps calling from the sidelines that we would have to share in the sense that we would have to export our production. That is not part of the obligation. As the hon. member knows, we are a net importer of oil at present and, therefore, we would have to cut back our consumption because we would not have as many imports available to us.

The other part of his question was whether I expect it will be necessary to introduce rationing in Canada and the hon. member alluded to some remarks of the U.S. secretary. We have a contingency plan in the event of that possibility, but I do not think at present it is any more than a possibility. I believe the arrangements that are in place at present will see us through. However, just in case, we have a contingency plan.

* * *

[*Translation*]

AIR TRANSPORT

ALLEGED DISMISSAL OF STUDENTS FROM AIR CONTROLLERS' TRAINING SCHOOL AT CORNWALL

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is for the Minister of Transport. Everybody will recall that last October 25, 16 students from Quebec went on strike at the Cornwall Institute for the training of air traffic controllers. Following the grievances formulated by these students, the minister had deemed advisable to launch an inquiry. This inquiry had discovered unintentional discrimination, according to the minister, and the students went back to training when they were guaranteed a measure of justice. Is the minister aware that six of these students have received a notice of dismissal? If so, does he intend to take action and examine the case of these young people who have now been dismissed?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, after the report, various improvements were made in the way in which teaching is conducted at the Cornwall school. Obviously, notwithstanding that, there will continue to be incidents of students failing to complete the course. This is perfectly normal and to be expected; it happens regularly to a certain percentage of those attending.

There is now a review board looking into any such dismissals and each in turn is, therefore, examined very carefully. Up to this point I am satisfied that everything is proceeding according to proper academic principles.

[*Translation*]

Mr. La Salle: Mr. Speaker, I think the minister realizes the problem created by this situation; I suggest this has a lot in common with the whole situation of the Association des Gens de l'air, which issued a statement, namely that the Canadian Transport Commission is really in bad faith as regards this problem. In the circumstances, they demand an inquiry by the Minister of Justice. Would the minister responsible give serious consideration to the grievances expressed by these students on this situation which grows worse and inevitably represents a hazard? I believe the minister and all my colleagues from Quebec do understand the situation. For all these reasons, would the minister at least be prepared to recommend that these students can finish their course at the regional school in Dorval? I suggest they could be welcome there and be given the adequate tools to complete their course.

[*English*]

Mr. Lang: Mr. Speaker, the problem with the immediate use of any other institution is that of adequate facilities being

available. I have assured the hon. member that I do take these matters most seriously and have been investigating them from that point of view and satisfying myself that, in fact, discrimination has ended and proper academic principles are being followed.

* * *

EMPLOYMENT

YOUNG CANADA WORKS GRANTS TO BRITISH COLUMBIA

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Employment and Immigration. It concerns yet another matter of double payment and relates to a Standing Order 43 motion which I raised earlier this week with respect to the allocation of Young Canada Works grants in British Columbia.

Is the minister in a position today to give the House an indication as to how these grants were allocated in British Columbia and why eight of the Liberal ridings received more than half of this year's allocation of $6.3 million?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I think that where the hon. member has tunnel vision is in his looking at British Columbia and not at Canada as a whole. I would recommend, with respect, that he look at some of the constituencies in Newfoundland where Conservative ridings received substantially more than Liberal ridings. I think this is a bum rap.

So far as the method of calculating the funding paid out under the Young Canada Works program is concerned, that has been made available to each and every member in a letter sent to him.

Mr. Oberle: What I have done, instead, Mr. Speaker, is consult the unemployment statistics in the province of B.C. and I have taken that as a guide to raise my criticism, because what I have found is a rather distasteful and ridiculous case of political pork-barrelling which indicates to me—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

FINANCIAL AID TO PULP AND PAPER INDUSTRY—INQUIRY WHETHER PROGRAM WILL BE IMPLEMENTED SHORTLY

Mr. Maurice Dupras (Labelle): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Given the fact that the federal government has announced its pulp and paper industry financial assistance program and given the importance that industry has in the province of Quebec, given the fact that it is urgent to protect the 30,000 jobs that already exist and those which will be created and finally given the fact that this program is a two-tier program, that is the federal government and that of Quebec both have obligations as to its implementation, does the minister think it could be implemented in the next few weeks?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Yes, Mr. Speaker, I think I can be optimistic and say that our negotiations are going quite well. The consultations which preceded the announcement of the program between my department and several departments in the governments of several provinces tend to indicate that the negotiations which are to lead to the signature of a formal agreement between my department and the Quebec government should be rapidly completed. So, we should be in a position to sign the agreement and offer the program to companies which will apply and want to take advantage of it.

* * *

• (1500)

[*English*]

ENVIRONMENTAL AFFAIRS

POLLUTION OF CANADIAN LAKES BY UNITED STATES INDUSTRIES

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of State for the Environment. Statements made by the minister of the environment for the province of Ontario this week indicate that acidic rain originating for the most part in the United States is destroying the fish population in at least 140 Ontario lakes. This situation is posing a serious threat, not only to the environment but to the tourist industry of northern Ontario and, eventually, Quebec.

Has the minister urged his United States counterpart to crack down on the United States industries which are polluting our Canadian lakes? Has the minister been able to elicit the co-operation of U.S. authorities in a campaign to clean up the affected lakes?

Hon. Len Marchand (Minister of State (Environment)): Mr. Speaker, I think the hon. member will recall that when the Secretary of State for the United States, Mr. Vance, was visiting Canada last fall, he and our Secretary of State for External Affairs indicated that we would be signing an air quality treaty, with the United States. This announcement was made with acid rain and other matters in mind.

My officials, along with Ontario officials, have had meetings with United States officials concerning this very serious matter. We will be holding further meetings later this month. We are moving as fast as we can with United States officials to try to effect an appropriate agreement.

LABOUR DISPUTES

PROTECTION FOR POST OFFICE WORKERS AGAINST DISCIPLINING BY UNION

Mr. Erik Nielsen (Yukon): Mr. Speaker, there is a question I would like to follow up respecting the postal workers in Hamilton. Since the Minister of Labour said that in fact he is standing behind the statement made by the Minister of Justice that these postal workers would be protected if they went back to work pursuant to the law passed by parliament, what action is the government taking in order to give those workers protection?

What steps are being taken to prevent the internal harassment to which the workers are being subjected? The actions being clearly illegal, what steps is the Solicitor General taking to investigate the matter and to follow up with charges in order to afford the substantial and *de facto* protection promised by the government?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, in view of the fact that my name came up halfway through the hon. member's question, I trust that it was directed to me. I will take notice of the question.

Some hon. Members: Oh, oh!

* * *

PRIVILEGE

MR. BROADBENT—ECONOMIC COUNCIL OF CANADA STUDY—STATEMENT BY MINISTER OF FINANCE DURING QUESTION PERIOD

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a question of privilege arising from answers given earlier today during oral questions by the Minister of Finance (Mr. Chrétien). The minister said two things which are quite disturbing.

I made reference to a study produced by the Economic Council of Canada in which it documented what was claimed to have been excess profits in the period 1968 to 1973. Obviously I do not have the words of the Minister of Finance written down, but I am sure I can convey the accurate sense of what he said earlier today. He implied that the study had been repudiated by the Economic Council of Canada, and that an official disclaimer had been issued by the Economic Council of Canada. Therefore, as far as I am concerned, the minister was casting severe criticism on Professor Mintz who spent more than three years doing a study requested by the Government of Canada.

Would the minister confirm that it is the standard practice of the Economic Council of Canada, when a study is released in the name of one individual, to issue such a disclaimer? That is the standard practice. It is not exceptional for the Economic Council of Canada to make clear that a report is issued in the name of an individual. Surely the crucial point is that when the council makes such a statement, it is not dissociating itself

from the findings. It is simply indicating that one individual did the work. If the minister is referring only to the standard disclaimer, it is an understatement to say I find it disagreeable that aspersions should be cast on the quality of work of a man who worked almost three years for a government agency. If the minister is referring to a more specific disclaimer which calls into question the quality of work, I am not aware of it, and I hope he will clarify that.

My second point is equally serious. The minister indicated that I was using outdated statistics in my question. That is false as well. I am not saying that the minister deliberately misled the House; I am saying only that he misled the House. In my question I referred to current statistics which were derived from official reports produced by the companies themselves. I do not intend to read all the statistics, but I should like to refer to two statistics for the years 1977 and 1978. The profits of the Toronto-Dominion Bank, the Bank of Nova Scotia, the Bank of Montreal, the Royal Bank of Canada and the Canadian Imperial Bank of Commerce for 1977 increased by 10.6 per cent, which was well above average. For the most recent year 1978, their profits were up 34.4 per cent to almost $1 billion. In short, the trend to which Professor Mintz referred in the earlier period has continued up to the present. The statistics I used were accurate and current ones, and I resent the implication that I was doing something to the contrary.

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, when I referred to the study, I was referring to the paragraph appearing on the first page which reads as follows:

The findings of this study are the personal responsibility of the author and, as such, have not been endorsed by members of the Economic Council of Canada.

The hon. member referred to the study and to the figures, but I should like to indicate that I have checked the tables used in that study. Some of the tables were for 1963 and the last year used was 1973. I made the point that the study contained data which were no longer applicable today.

The hon. member for Oshawa-Whitby (Mr. Broadbent) indicated that other up to date figures were used. That could be, but I just indicated that the background figures used in the study were old ones. The hon. member used other figures to show that the profits of banks had increased lately. I recognize that the profits have increased lately, but I should like to repeat that if there are good profits in some areas, they should be used to reduce prices whenever possible or to improve productivity.

While I am on my feet, Mr. Speaker, earlier I gave an answer provided to me by the Minister of Agriculture (Mr. Whelan) which has turned out to be not completely accurate.

Some hon. Members: Order, order!

Mr. Chrétien: I referred to the price of beef and I should like to clarify my answer. Sirloin steaks are selling for $5.62 U.S. per kilogram in Ottawa, compared to $6.37 in Washington, $9.74 in London and $14 in Bonn. Earlier in error I said that sirloin steaks were selling in Japan at $15; but I should

have said that they were selling at an unbelievable $41.20 in Tokyo. When I said "$15," I was being modest; I did not want to create a false impression. Thus, I have referred to the figures which appeared in today's edition of the Ottawa *Citizen*.

Some hon. Members: Hear, hear!

[*Translation*]

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

[*English*]

Mr. Speaker: Order, please. I am sure hon. members will recognize that there was some misunderstanding between the Minister of Finance (Mr. Chrétien) and the hon. member for Oshawa-Whitby (Mr. Broadbent). That misunderstanding has been cleared up, and what remains is a disagreement, not a question of privilege.

Also the hon. member for Greenwood (Mr. Brewin) has given the Chair notice of a question of privilege.

MR. BREWIN—REFUSAL OF MINISTER OF EMPLOYMENT AND IMMIGRATION TO DIVULGE CONTENTS OF MEMORANDUM

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I gave Your Honour notice of a question of privilege which involves the refusal of the Minister of Employment and Immigration (Mr. Cullen) to make available to myself and other concerned parties a written statement made by the minister and called a "clarifying memorandum". According to the minister's letter, apparently it was sent out to all offices of his department, including his regional officials.

● (1510)

The underlying facts can be stated very briefly regarding the so-called clarifying memorandum dealing with the admission and deportation of Chilean refugees.

An inter-church committee on human rights in Latin America, composed of representatives of the Roman Catholic, United, Anglican, Presbyterian and Lutheran churches, was anxious, in pursuance of its efforts to assist refugees of Chile, where terror and torture have been habitually used, to obtain copies of any directives issued by the minister's office bearing on this question of admission of refugees. I passed this request on to the deputy minister and to the minister, but no document was made available.

I can pass over the intermediate correspondence and say that on February 6 the minister wrote to me and said this clarifying memorandum, as he called it, was in fact sent out as an internal departmental document to regional offices, but the minister was not prepared, on the basis of a long-standing practice, to release an internal memorandum of this nature.

I point out to you first of all, Mr. Speaker, that the immigration policy by section 3 declares the policies of this parliament on immigration, and includes (g) which is to fulfil Canada's international legal obligations with respect to refugees and to uphold its humanitarian tradition with respect to the displaced and the persecuted.

You will be aware, Mr. Speaker, as members of this House are aware, that the exercise of this power under the act to admit refugees is covered by a series of discretionary jurisdictions conferred on officials of the department, so that when the minister sends out a memorandum dealing with the matter he in fact is giving directives as to how this power shall be exercised. It is obvious, therefore, in effect, that the memorandum was a directive to officials as to how they should exercise their discretion in respect of allowing refugees either to come to Canada or stay in Canada.

I submit there is a clear case here of breach of privilege. As a member of this House I am deprived of the ability to review the memorandum and the decision, and to advise those who sought my advice on the matter. I submit that the action of the minister in refusing to make this document available to me and, presumably, to other members of the House and to those who sought it, namely, the committee of the churches to which I have referred, is contrary to the purposes of the act which refer to the humanitarian traditions of Canada. I submit that it is a deprivation of would-be immigrants' or refugees' basic rights and elementary justice. How can a refugee state his case under the various provisions set out in the act and the regulations unless he knows what instructions the officer examining him may happen to have in regard to admission?

Again I suggest this is a shocking disregard of the right of members of this House to know what is done in the name of this House in dealing with a statutory authority given by this House. The minister, under the pretence that this is an internal matter, refuses to disclose what is a general document issued for the instruction of his officials. I suggest that this action of the minister shows his insensitivity to the need for co-operation with voluntary organizations, such as the churches, in looking after this obligation of Canada in accordance with its humanitarian traditions.

Furthermore, this amounts to a breach of the promise made on behalf of the minister, with the minister present, to a committee of this House, the Standing Committee on Labour, Manpower and Immigration, which was examining the act. On that occasion a Mr. Tait, who is an official of the department, was stating the view and interpretation of the act, and in the presence of members of the committee and the minister he said it had been decided that basic directives of the department would be made public. Instead of that, we have this policy of continued, blatant secrecy, all too common in this House.

I therefore urge on Your Honour that this is a prima facie case of privilege and, if you rule that it is, I would move that the minister be instructed to divulge this document. The House could then deal with the matter following your ruling.

Hon. Bud Cullen (Minister of Employment and Immigration): First and foremost, Mr. Speaker, I want to thank the hon. member for his courtesy in sending me a copy of the letter he wrote to you indicating he would be raising this question of privilege today.

I have reviewed all the correspondence with the hon. member leading up to his letter to you of February 7 in which he indicated he would be raising a question of privilege. Quite sincerely, I believe we have acted entirely properly in our responses to the hon. member, and that we have provided him with all the information relevant to his concerns. I will provide you, Mr. Speaker, with copies of the correspondence.

I would further suggest that this so-called question of privilege should more properly be put as a notice of motion for the production of papers.

On December 8, however, I wrote to the hon. member in response to his request to myself and my deputy minister and provided full information on our policy regarding deportation to Chile of persons whose claim to refugee status had been rejected by the refugee status advisory committee. In that letter, after acknowledging the questions he was asking in his earlier letter to me, I said this:

> Our current procedure is that once the Immigration Appeal Board has confirmed our decision in those cases where this is applicable, the individual is allowed sixty days to leave Canada to a country of his choice. If the individual cannot or will not depart voluntarily to a third country, deportation to Chile is then carried out. However, the sixty-day period can be extended in those cases where approval to enter a third country seems imminent.
>
> Where humanitarian conditions are found to exist, the individual will be permitted to remain in Canada and permanent status approved.
>
> In summary, the commission has always carefully reviewed cases involving possible deportation to Chile. For some months in 1977-78 deportation was deferred in individual cases while additional information on the possibility of admission to a third country was obtained. In order to ensure a uniform understanding of the commission's position, as described above, a clarifying instruction was issued to all offices in September, 1978.

I gave the hon. member the full story so far as deportation to Chile is concerned, and the letter was based directly on an internal document, as I indicated to the hon. member. I indicated in the letter that there was nothing further to add to what I had put in my letter. Secondly, I made clear in my letters of both December 8 and February 6 that I did not myself issue any instruction or statement on this matter in August, 1978, or at any subsequent time.

I have been completely open and frank in providing the hon. member with information on this matter and do not believe his rights have in any way been infringed.

The hon. member raises a second question about a commitment made at the committee stage. In my letter of February 6 I commented on this as follows:

> Your letter makes reference to a commitment made before the Parliamentary Committee by the former Executive Director of Immigration and Demographic Policy. In my view, we have completely conformed to that undertaking and have made the Immigration Manual available for use by the Committee of the Senate and of the House of Commons on Statutory Regulations. We have, as well, instructed that these documents be made available for inspection at our offices throughout Canada to members of the public, and have deposited copies with the Library of Parliament. I do not view internal working memoranda of the type you have raised as falling into the category of documents that must be released to the public.

● (1520)

So, Mr. Speaker, we have given the hon. member all of the information he requires. I indicated that it was based on an internal memorandum. I indicated that there was nothing else that needed to be disclosed.

We have tried to be open and above board with regard to this matter, because it is a matter of concern to many counsel who represent people who might be seeking refugee status in Canada. That information is certainly available to the public through the library and through our offices across Canada. If the hon. member feels that he has a case to put a motion for production of papers, we will debate that at that time, but I hardly think that his rights have been infringed upon.

Mr. Speaker: I see the hon. member for Winnipeg North Centre (Mr. Knowles) rising. I want to tell him in advance that he will have to persuade me that this matter is distinct from any other application for a document from a minister resisted by the minister for his own reasons. In order to constitute this in any way as a question of privilege, there would have to be something which distinguishes it from an application for a document from the minister which the minister resists for his own reasons, whether I disagree or agree with them.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I accept your point as one that must be dealt with in supporting the hon. member for Greenwood (Mr. Brewin), but it seems to me there is a difference. First, the suggestion made by the minister that my friend should put his request in the form of a notice of motion for the production of papers would be futile since the minister has already said that he would refuse. There seems to be no possibility of getting anything by that method.

What makes this different from the ordinary document which a member tries to obtain through the order paper, it seems to me, is that in effect the clarifying memorandum is really an interpretation of the law. It is not good enough for a department to give to a citizen a statement of what is in the law or a précis of it. Citizens have a right to know what the law says, and that applies to acts which have been passed by parliament and to regulations passed under those acts.

What we have here is not a regulation passed under an act, but a departmental interpretation of the act and the regulations which in effect is the law covering the situation. It seems to me that on that basis the minister ought to be called upon to produce the document.

My hon. friend has suggested that he would be prepared to move a motion calling upon the minister to do so. If that suggestion is not acceptable, I have an alternative suggestion, that perhaps this matter ought to be referred to the committee on statutory instruments. If my case is valid, that it is in effect law, then I think that the document should be produced; but if that committee were to find that it was an internal document, then, of course, the minister's position would stand. Surely, the place for that kind of an issue to be settled is not in debate between the minister and the hon. member for Greenwood, but by some body which is competent to judge the nature of this document.

Mr. Speaker: May I ask the hon. member for Winnipeg North Centre to deal with this point. If he is indicating that this is added in some way to the body of law that every citizen is entitled to know and to receive, then how can I consider it to be a breach of privilege by a member of parliament? If it is something that is in that sense in the public domain and, as the hon. member maintains, it is a right which any citizen may assert, how can I classify it as the right only of a member of parliament in order to qualify it as a question of privilege? It seems to me that I am caught no matter in which direction I move.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am not suggesting that it is a privilege only of the hon. member for Greenwood or members of parliament. I am suggesting that the privileges of the citizens of this country are affected by the denial of this document to a member of parliament.

This matter is somewhat similar to the case raised by the hon. member for Northumberland-Durham (Mr. Lawrence) just recently. He had requested a document, not just for himself but for a constituent. My friend would like this document, which he believes is part of the law, so that all those named, the church organizations and individuals, will know what is in it. He does not want the document for himself but so that the public will know what is in it.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Either one or the other, Mr. Speaker. Either the directives given by the minister are part of the legislation in which case they are public and the hon. member may have access to them; or they are not part of the law and then it is up to the minister to communicate them to the hon. member or not. When the minister suggests a notice of motion for the production of papers which the hon. member for Winnipeg North Centre (Mr. Knowles) assumes will be rejected, the hon. member for Winnipeg North Centre should know that this alternative would give the opportunity to launch a debate of over one hour in this House during which each member may get a chance to express his or her views instead of doing so by raising the question of privilege.

So to me, Mr. Speaker, the alternative is very clear, very simple: either these directives are part of the legislation and then they are public and it is not a question of privilege, as you did mention, or they have nothing to do with the piece of legislation itself and thus are not part of the law. In that case, the minister may or may not release them. There is no doubt about that.

[*English*]

Mr. Speaker: Order. I repeat, I am not in a preliminary way persuaded that there is any difference from a regular application for a document held by a minister, but I think I owe it to the hon. members who have argued and urged the case that I research it. I will endeavour to do so as quickly as possible and return with my ruling. I think I could give it by tomorrow, or at the very latest on Monday.

[*Translation*]

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

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, I wonder if I might ask the deputy government House leader, today being Thursday, if he could deal with the House business. Before he deals with the general business could he tell us whether or not he has had consultation with the Minister of Finance (Mr. Chrétien) as to whether or not it is the intention of the Minister of Finance in this session of parliament to bring forward amendments to the Municipal Grants Act. I do not know how far we could go in dealing with the matter, but I have made the suggestion that a bill be brought forward containing the appropriate amendments and the subject matter be referred to a standing committee of the House. Once there it could be examined and municipal representatives from across the country could be called as witnesses. It is a problem that is not only common to the national capital but to other parts of Canada. If he has not had an opportunity to consult with the Minister of Finance with respect to that procedure, would he do so and advise the House today at some point?

While the minister is on his feet, could he tell us the government's intention with regard to legislative business on into next week?

Mr. Cafik: Mr. Speaker, on the first point regarding amendments to the Municipal Grants Act, there is no doubt a great deal of concern about this across Canada, and to myself as well in my association with the Pickering airport expropriation issue. This subject is of great interest to the government, and we are giving consideration to the matter at the present time. I am not in a position to make a statement on behalf of the government as to the procedure which would be adopted to deal with that matter. I have not discussed it specifically in terms of a strategy here in the House with the Minister of Finance (Mr. Chrétien), but I will undertake to do so and report back as soon as possible.

On the second point with regard to House business into next week, it is our intention, as all hon. members know, to continue today with Bill C-2. Following its completion, which should be very shortly today, we would then go to second reading of Bill C-12 which deals with the superannuation fund, and following that we will deal with Bill C-37, the amendments to the Income Tax Act and borrowing authority and Bill C-29, dealing with amendments to the National Housing Act. Then we would hope next week, if agreement can be reached between all parties, to deal with Bill C-35, which is the government organization bill. We would hope to reach agreement on limiting the debate to two or three speakers.

• (1530)

We also hope to deal next week with Bill C-28, the Northwest Territories Act legislation, if we can limit that debate to perhaps one speaker per party. In addition to that, tomorrow is an opposition day, and agreement has been reached for an allotted day for Tuesday, February 13.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I am certainly prepared to discuss with the deputy government House leader matters with respect to Bill C-35 and Bill C-28. I indicate to him that there is no intention to hold up that legislation. I will discuss this with him.

While I am on my feet, there is one other matter which is important. I thank the minister for his undertaking with respect to grants in lieu of taxes legislation. It is particularly important because, as the minister probably knows, the Minister of Finance is planning a meeting with the mayor of the city of Ottawa on February 19, and it would be interesting to know how he will be dealing with that legislation.

However, there is one other item which I do not know how to handle. I do not know whether I should address this matter to Your Honour as chairman of a committee which does not exist now, or whether I should address it to the deputy government House leader. I will take a chance and address it to the deputy government House leader. It has to do with the special committee which Your Honour chaired in the last session with respect to the broadcasting of the proceedings of the House of Commons. There was considerable discussion in that committee—and I must say that it was very amicable—with respect to the possibility of permitting the broadcasting, either through House of Commons facilities or through private broadcasting facilities, of the proceedings of the standing committees of the House of Commons. That is something we could perhaps deal with.

The unfortunate thing is that in this session there has not been a reference to re-establish that committee, which was working reasonably well. I think that if it is important that the general public look into the House of Commons to see what happens here, the public should recognize that this is only part of our work and that the daily grind of work in parliament and the process of legislation does not all take place here but that it also takes place in the standing committees. Even as this parliament is ending, I think it would be appropriate if that parliamentary committee were reconstituted. It might be able to do something, at the tail end of this parliament, relating to the broadcasting of committees. It might be able to do that, but it certainly could prepare for another parliament in any event, and I think that would be very helpful.

With respect to this parliament, I am sure that if we talked to representatives of the television media we would find that they would be anxious, on an ad hoc basis, to go into the committees.

There is a whole host of matters with which we have to deal, and if the deputy government House leader is not equipped today, would he speak to his colleague, the Deputy Prime Minister (Mr. MacEachen), to see whether that reference could be made so that that committee could be reconstituted under the chairmanship of Your Honour and we could get on with the work and finish it? If the minister cannot answer, would he give me an undertaking that he will at least speak to his colleague?

Mr. Cafik: Yes, Mr. Speaker. Quite evidently, the government is very much interested in making sure that the public has access to the deliberations of the House of Commons. It was for that reason that we introduced legislation to make that possible, so quite evidently the broad question raised by the hon. member about the reconstitution of the committee is important. Not having had notice of this question, I will indicate that I am prepared to take this matter up with the Deputy Prime Minister (Mr. MacEachen) and my colleagues to find out what means might be best suited to the resolution of this question, and we will report back.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I want to thank my hon. friend for that. There is one matter with respect to Bill C-35 which I should like to raise. There have been some discussions about the possibility of splitting that bill so that the fisheries portion of it would go to the Standing Committee on Fisheries and Forestry and the balance to the Standing Committee on Miscellaneous Estimates. We are willing to do that if that bill is to be brought forward and if that could be arranged.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have noted the various bills the minister has listed for debate for the next little while, and with respect to the two bills concerning which he thought there might need to be discussion, I would be quite prepared to enter into such discussions on behalf of my colleagues. However, since the point has now been raised here on the floor about the possibility of sending Bill C-35 in part to one committee and in part to another, we would go along with that. We think the House should take whatever steps are generally acceptable to proceed expeditiously with that bill.

While I am on my feet, I would like to ask the deputy government House leader if he, with all the urgency and concern he can command, will speak to his colleague, the Deputy Prime Minister (Mr. MacEachen), and perhaps to other cabinet colleagues, about the desirability of bringing before this House, before something happens which might bring it to an end, at least some legislation respecting the veterans of this country.

There are three or four outstanding issues which are very serious. They should not be put over until the fall or to another year. Thus far there is nothing on the order paper. Nothing in sight is being done for Canadian veterans at this session, so I ask the deputy government House leader if he will raise this matter seriously and with concern with his colleague, the Deputy Prime Minister.

Mr. Cafik: Mr. Speaker, I appreciate very much the cooperative spirit which is being exhibited here today with respect to Bill C-35 and Bill C-28. In direct response to the

suggestion that Bill C-35 be split and sent in two directions to two different committees, I am not in a position to be able to respond in positive terms to that suggestion at the moment but we will deal with it. I understand the disposition of the Conservative party in that respect and the agreement of the House leader for the New Democratic Party. Those two factors will be taken into account, and we will report back.

The second point raised is with respect to possible legislation dealing with veterans. This is a matter the hon. member for Winnipeg North Centre (Mr. Knowles) has raised with the Minister of Veterans Affairs (Mr. MacDonald) in this House previously, and I think that the substantive question as to what should be done is something which ought to be dealt with by the Minister of Veterans Affairs in due course. Once a decision is made with respect to that, then the Deputy Prime Minister and the cabinet would have to concern themselves with the priorities which would be assigned to such legislation. When that is done, a report will be made in due course.

Mr. Alexander: Mr. Speaker, with respect to the confusion which is in the mind of the deputy government House leader, I am speaking with the consent of my House leader regarding the splitting of Bill C-35 to see to it that, as the hon. member for St. John's East (Mr. McGrath) wished, the fisheries part would go to the Standing Committee on Fisheries and Forestry and the balance to the Standing Committee on Miscellaneous Estimates. We agree to that. I think my friends in the New Democratic Party would as well. I do not know whether they have had any consultation in this regard, but I think that is the general feeling at this time, and I am sure—

Mr. Knowles (Winnipeg North Centre): That is what I said. We agree.

Mr. Cafik: Perhaps I was being overly cautious. It is my understanding that that is likely to be the case, but I do not like to stand here before the House and make an absolute commitment that that will happen without having certainty in my mind. I think that is the disposition. It has been discussed but I want to check into it further. I think all hon. members will not be disappointed with the final result, but I want to be certain before I make that kind of absolute commitment.

* * *

POINTS OF ORDER

MR. McKENZIE—DELAY IN ANSWERING QUESTION NO. 238—REPLY BY MR. FRANCIS

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, as recorded at page 2986 of *Hansard* for yesterday, the hon. member for Winnipeg South Centre (Mr. McKenzie) raised a point of order concerning myself. He said, and I quote:

—Mr. Speaker, it is apparent that this government is supplying some kind of information to one of its own members, namely, the hon. member for Ottawa West, but not supplying us with this information—

[Mr. Cafik.]

Mr. Speaker, I wish to call to the attention of the hon. member that if he had spoken to me privately, I could quite easily have cited to him the public sources which I used.

On October 10 of last year the answers to my questions Nos. 1,958, 1,959 and 2,003 were printed in *Hansard*. The statement in response to my question was very clear that as of March 31, 1978, the balance in the public service superannuation account was $9,053,353,887.

A question was also raised about projections for the fund. I put down question No. 624 in this session, the answer to which was printed in *Hansard* of January 23. The President of the Treasury Board has indicated the projection was $39,872,700,000 for 1990 and $1,197,387,800,000 for the year 2025. The hon. member for Winnipeg South Centre has only to read *Hansard*. I would be delighted to assist him in doing a little more work in preparing for this debate which is apparently his concern. But the suggestion that there has been information supplied to me which is not a matter of public record for every member of this House is completely and totally false.

• (1540)

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, there is constant confusion over these matters when the government refuses to answer these questions. In the literature the hon. member for Ottawa West (Mr. Francis) is distributing he is giving the distinct impression that $9 billion cash is in this pension fund. If there is $9 billion there, the government should be answering the questions which I placed on the order paper last October 17.

I want to know the following: In what instruments was the $9 billion invested, and in what amounts? In what debt series are these investments, the issue numbers of the instruments and the rate of interest on the investment? The government is creating suspicion by not answering precise questions. The hon. member for Ottawa West is trying to give the distinct impression that there is cash there. We want to know whether there is cash in the fund or whether it is a non-funded liability. If it is a non-funded liability pension fund it means there is not one red cent in it.

MR. McKINNON—BOEING CONTRACT—EVIDENCE GIVEN BEFORE SEC

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I would like to thank the Solicitor General (Mr. Blais) for remaining in the chamber to hear my point of order. My point of order concerns an answer he gave to me during the question period. I raised a question based on a detailed answer he had given to the Leader of the Opposition (Mr. Clark) on February 6 concerning the Boeing agent and his activities. There is quite a bit of information in that answer which is not readily available.

The Solicitor General in his answer said:

The individual who testified before the SEC—

—and I presumed he had the testimony that was given before the SEC. Today the Solicitor General claimed that it was

obtained from a deposition given on behalf of the Boeing company in front of the SEC. That deposition came as a result of a civil action commenced by the Securities and Exchange Commission dated July 1978 against Boeing. The action was heard by the district court, and a judgment was given concerning this matter. In the judgment Boeing had to comply with several conditions. Among these conditions was a requirement to file form 8-K with the commission. In accepting these conditions Boeing agreed to disclose information in a current report on form 8-K for the month of July 1978. The document goes on to require "Any instances of the existence of two consulting contracts with the same consultant providing for payments of compensation under each contract for the same services designed to facilitate the payment of money into accounts maintained by the consultant outside his own country". This was duly filed on July 28, 1978. I have the document here and it is some 15 pages long. Nowhere in that deposition or indeed in any of the other documents I have quoted from is there any word about who the individual is. And yet the Solicitor General gave us to understand on Tuesday that he knew. Because the Leader of the Opposition asked the minister:

> —does he know the name or names of the person or persons alleged to have received those payments mentioned in the deposition from Boeing—

The Solicitor General answered:

> Yes, Mr. Speaker. The individual who testified before the SEC was a gentleman who was identified as a consultant of Boeing and who was working as a Boeing consultant in Canada dealing with the sale of Boeing aircraft to Canada. Payments were made to that consultant in the ordinary course of dealing with that company.

There is not one word of this in the deposition. It says that double payments were made in Canada to obtain the Canadian sales. I do not know, and the House does not know, where the Solicitor General obtained this detailed information about the agent. One would assume that he probably obtained it because the agent testified before a subcommittee of the SEC on March 24, 1977, some nine days after that sweetheart treaty was signed between the two governments protecting anyone who gave evidence which was likely to be disadvantageous to either government. I do not mind if the Solicitor General gets up and refuses to give the information because he thinks it will hurt the country or because he does not want to give it, but I do not like his claiming that it came out of some document it did not come out of. I would like the Solicitor General to clarify that point, if he would be so kind.

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I would be very pleased to do that. Indeed, I indicated to the Leader of the Opposition (Mr. Clark) that the identity of the individual could be obtained from the transcript of the hearings before the SEC. I never indicated that I have those transcripts. The hon. gentleman asked me to provide documentation. I have the documentation which he has identified today and he has pointed out that the name of the individual does not appear. I informed the hon. gentleman and the Leader of the Opposition that it was not my intention to reveal the individual's name. I know the name of the individual. Indeed, there has been a complete investigation.

The whole series of questions asked by the hon. member for Victoria (Mr. McKinnon) and the Leader of the Opposition, and I believe by other members of this House, were with reference to an investigation that had been conducted by the RCMP. The whole thrust of my replies pointed out that the investigation had been very thorough and complete. As a result of that investigation I informed the House that there was no evidence of impropriety relating to any member of the government, anyone working within the public service or with the individual who was hired as a consultant who would be subject to criminal prosecution. I indicated that clearly, and that is the position I advanced to the hon. gentleman.

[*Translation*]

Mr. Roch La Salle (Joliette): I rise on a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Joliette on a point of order.

Mr. La Salle: I rise on a point of order, Mr. Speaker, because I feel deeply that I have been hurt in my privileges as a member of this House and as a Francophone this morning when sitting in a committee meeting.

I will explain right away, Mr. Speaker. Whereas the government does not hesitate, for example, to boast about its respect for the official languages, this morning, at the first meeting of the Committee on Justice and Legal Affairs held on Bill C-9, the minister responsible for intergovernmental affairs brought in a document in English only. You will understand, Mr. Speaker, that it is my duty, I think, to report this insult to every French-speaking members in this House, since that prevented us from carrying on the discussion and securing enough information for the questions we had to ask.

Under the circumstances, I could not provide you with the motion on time, but I would like, by this point of order, ask you whether I could at the same time be allowed to raise a question of privilege about what I would qualify as discrimination against French-speaking members of this House; once again I repeat that I have been insulted, as so many other Quebeckers I imagine, to see that they had not put into practice what they often preach, at the very least the respect for Francophones who sit in this House. Under the circumstances, if I could raise a question of privilege, I would do it rather briefly and as soon as possible, Mr. Speaker.

Mr. Speaker: It is obvious that I cannot make a ruling on that matter without knowing all details. However, I feel it is not a question of procedure, but I am not sure because it may be a grievance. It is difficult to establish if it is a question of privilege or just a grievance against the minister. There is no doubt that before going further we must wait for an answer from the Minister of State for Federal-Provincial Relations.

Therefore, I must reserve the privilege in the minister's presence.

Mr. La Salle: Mr. Speaker, if possible I would just like to reserve my right to raise the question of privilege on that matter when the minister is here.

Mr. Speaker: Yes, in the minister's presence.

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, I feel that what the hon. member for Joliette was also asking was whether he had a right to raise the question of privilege today even though he has not given advance notice as required by Standing Order 17.

I think that irrespective of the fact that it would be decent to wait till the Minister of State for Federal-Provincial Relations is present, it would be advisable to consider the acceptability of that so-called question of privilege. If what the hon. member says is true, the incident would have occurred this morning in the Standing Committee on Justice and Legal Affairs but he should have given notice an hour before the sitting today. He had plenty of time to give that notice, but he did not do so.

I respectfully submit that you should consider the acceptability of his question of privilege before automatically giving him the right to speak about it in the presence of the Minister of State for Federal-Provincial Relations. Once again, I draw your attention on the fact that the incident to which the hon. member for Joliette referred, that so-called question of privilege, is supposed to have occurred this morning, therefore he had lots of time to give the required notice under the standing orders.

● (1550)

[*English*]

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on the same point of order. As I heard the hon. member for Joliette (Mr. La Salle), he rose on a point of order to ask Your Honour's permission, since he was not able to give you the *pré avis* required to raise a question of privilege, to reserve his position. As I understood it, Your Honour granted him the privilege of raising that question of privilege in the presence of the minister of state. It is not a question of privilege that has been raised but a point of order.

Mr. Speaker: I have taken for the moment the intervention of the hon. member for Joliette (Mr. La Salle)—

[*Translation*]

I accepted the intervention of the hon. member for Joliette as notice for the moment. The parliamentary secretary will have the opportunity during the debate to support the position of the hon. member for Joliette and also to point out the breach of procedure. In addition, those problems occurred in committee and not in the House. Those are matters to be dealt with during the formal debate which of course should be held in the presence of the minister.

[Mr. Speaker.]

[*English*]

Mr. Gus MacFarlane (Parliamentary Secretary to Minister of State for Federal-Provincial Relations): Mr. Speaker, I rise on the same question of privilege. It was indeed in committee. The minister was fully conversant with the facts. He did not feel at that time that he had offended any privilege. I am certain the minister would be willing to hear at any time from the hon. member, but I do not see this as a question of privilege in this House since the grievance was settled at that time by the chairman of the committee.

Mr. Speaker: I do not know how I can decide that until I hear it. I will have to hear the point. At that time I will decide whether it is procedurally regular or otherwise, but I obviously have to hear it first. The hon. member is just giving me notice.

ROUTINE PROCEEDINGS

[*English*]

CANADA STUDENT LOANS ACT

MEASURE TO AMEND

Hon. Donald C. Jamieson (for the Secretary of State) moved for leave to introduce Bill C-39, to amend the Canada Student Loans Act.

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

* * *

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 149, 567, 601, 617, 619, 691, 692, 716, 729, 813, 818, 844, 903 and 905.

[*Text*]

AIB—EMPLOYEES ON LOAN

Question No. 149—**Mr. Forrestall:**

1. How many federal employees from other departments or agencies have been loaned to the Anti-Inflation Board since its inception?

2. What was the total cost of salaries paid to such employees while working for AIB?

3. What was the total cost of other expenses such as travel, accommodation and living incurred by such employees?

4. What was the average length of time which the employees worked with the AIB?

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance): In so far as the Anti-Inflation Board is concerned:

1. 377.

2. $ 215,605.00 1975
717,116.15 1976
376,329.51 1977
71,215.16 1978 (to date)
$ 1,380,265.82.

3. Travel claims for indeterminate employees, persons under contract, secondment and executive interchange are not kept separate by the Board. To have the voluminous number of files searched to segregate those claims for persons seconded would be both time consuming and costly. Therefore, precise information is not readily available to answer this part of the question.

4. Approximately six months.

CANADIAN FORESTRY SERVICE

Question No. 567—**Mr. Munro (Esquimalt-Saanich):**

1. Were Regional Directors' Offices established by the Canadian Forestry Service and, if so (a) how many (b) on what dates and in which locations?

2. What was the growth in man-years allotted to each Office since its inception?

3. Since 1968, by year, what was the budget of the Canadian Forestry Service?

4. For the same years, what was the total man-years allotted to the Service?

5. For the same years, what was the breakdown between scientific and professional and administrative support man-years allotted to the Service?

6. For the same years, what was the breakdown in the budget of CFS for scientific and professional and administrative support staffs?

Hon. Len Marchand (Minister of State (Environment)): 1. The following is a list of regional director's office of the Canadian Forestry Service:

Office	Date Established	Location
Regional		
Newfoundland Forest Research Centre	1949	St. John's Nfld.
Maritimes Forest Research Centre	1933	Fredericton, N.B.
Laurentian Forest Research Centre	1933	Ste. Foy (Quebec), P.Q.
Great Lakes Forest Research Centre	1945	Sault. Ste. Marie, Ont.
Northern Forest Research Centre	1935	Edmonton, Alta.
Pacific Forest Research Centre	1940	Victoria, B.C.

2. Man-year allocations for establishments listed in (1).

Establishment	1968	1971	1972	1973	1974	1975	1076	1977	1978
Newfoundland Forest Research Centre	87.0	76.0	75.5	73.5	71.0	70.0)			65.0
						)	226.5*	220.3*	
Maritimes Forest Research Centre	241.0	169.7	191.7	189.0	181.0	170.0)			152.0
Laurentian Forest Research Centre	182.0	135.1	135.2	137.0	130.0	132.0	122.0	119.0	118.0
Great Lakes Forest Research Centre	218.0	160.0	162.6	160.0	160.0	154.0	146.0	148.0	153.0
Northern Forest Research Centre	152.0**	175.3	164.4	161.0	155.0	147.0	148.0	142.0	140.0
	183.0								
Pacific Forest Research Centre	207.0	193.2	205.5	202.0	195.0	185.0	185.0	173.0	171.5

*No breakdown available from EMS Atlantic Region figures
**Two separate research centres amalgamated into one in 1968.
NOTE: Records prior to the year 1968 are no longer available.

3 and 4. Canadian Forestry Service Resources 1968/69 through 1979/80

Year	Man-Years	Total
1968/69	2,181	$23,484,025
1969/70	1,933	22,829,000
1970/71	1,711	23,691,000
1971/72	1,639	24,205,950
1972/73	1,624	32,994,000
1973/74	1,657	39,305,000
1974/75	1,629	40,099,000
1975/76	1,515	37,889,000
1976/77	1,449.5	36,802,900
1977/78	1,407.5	34,334,400
1978/79	1,393.5	37,722,600

5 and 6. Breakdown of Scientific and Professional/Support Staff in Canadian Forestry Service, by year, with Corresponding Budgets.

Year	Man-Years[1][2] Professional	Support	Salaries Professional	Support
1968/69	614	1,525	$ 6,714,600	$ 6,988,700
1969/70	531	1,046	6,816,000	7,094,200
1970/71	520*	994*	7,314,400	7,612,900
1971/72	508	941	7,651,100	7,963,300
1972/73	491	923	9,388,800	9,772,000
1973/74	489	927	10,089,000	10,500,800
1974/75	479	921	10,762,600	11,201,900
1975/76	450	911	12,081,900	12,575,000
1976/77	441*	901*	12,415,100	12,921,900
1977/78	468	939.5	12,105,400	12,599,400
1978/79	breakdown not available		13,309,772	13,853,028

*Estimates based on prorated decrease.

NOTES:
(1) Figures to 1976 are based on actual strength rather than number of man-years allocated.
(2) No provision made for casuals, students, or other special program man-year allocations.

CANADIAN RADIO-TELEVISION TELECOMMUNICATIONS COMMISSION

Question No. 601—**Mrs. Holt:**

1. What is the name, primary trade or profession, original hometown and salary of each member of the Canadian Radio-television Telecommunications Commission?

Order Paper Questions

2. From January 1976 to November 1978, what was the cost of each trip and sitting in British Columbia?

3. What was the cost of the (a) hotel (b) food bills, individually and as a group?

Mr. Crawford Douglas (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communications is concerned, the answer to the above question is as follows:

1. Name	Primary trade or profession	Original hometown	Salary
Dr. P. Camu (Chairman)	Geographer	Montreal, Quebec	$51,900-$67,700
C. M. Dalfen (Vice-Chairman)	Lawyer	Montreal, Quebec	$45,400-$61,200
Dr. J. J. Fortier (Vice-Chairman)	Mathematician	Huberdeau (Argenteuil) Quebec	$45,400-$61,200
R. A. Faibish (Member)	Broadcasting Executive	Regina, Saskatchewan	$35,700-$48,700
J. L. Gagnon (Member)	Journalist	Quebec, City, Quebec	$35,700-$48,700
P. H. Kingle, Q.C. (Member)	Lawyer	Three Hills, Alberta	$35,700-$48,700
Mrs. J. M. LaSalle (Member)	Law Professor	Rivière Bleu, Quebec	$35,700-$48,700
Mrs. P. M. Pearce (Member)	Journalist-TV and radio-critic	Belfast, Ireland	$35,700-$48,700
R. J. P. H. Therrien, P. Eng. (Member)	Professional Engineer	St-Cyrille de Wendover, Quebec	$35,700-$48,700

2.		All Expenses
Vancouver	February 1-3/76	$32,390.39
Vancouver	March 1-3/76	$35,216.58
Victoria	May 26-27/76	$ 9,148.57
Vancouver	January 25-28/77	$21,497.94
Vancouver Victoria Nanaimo Delta	March 21-April 6/77	$53,972.67
Vancouver	May 2-5/77	$31,801.40
Kamloops	February 19-21/78	$20,737.17
Victoria	February 20-21/78	$ 6,167.10
Vancouver	February 21-24/78	$21,496.29
Vancouver	May 12-18/78	$14,666.07
Vancouver	October 24-26/78	$49,680.21

3. Individual costs not readily available without searching each travel claim. As a group total cost for

(a) Hotel

$34,815.19

(b) Food

$17,941.52

[Mrs. Holt.]

FORESTRY RESEARCH

Question No. 617—**Mr. Baker (Grenville-Carleton):**

1. Has the government decided to reduce money allocated to forestry and wood products research and to turn some of the research over to private industry and, if so, will the government cut the forestry research budget as proposed, if privatization by April 1, 1979 has not proved realistic?

2. What steps are being taken to ensure that private industry is encouraged to take over forestry research?

3. Will the government see that all employees cut from its own forestry research programme are given every assistance in finding places in the private sector in Canada?

Hon. Len Marchand (Minister of State (Environment)): 1. The money allocated to forestry research will be reduced by approximately $1 million in the fiscal year 1979/80. For forest products research, the federal budget will be reduced by $3.3 million. Co-operative arrangements are being developed to ensure direct financial and program management input by industry, while retaining federal financial and other involvement. It is expected that all steps to achieve these changes can be taken or firmly established in principle by April 1, 1979.

2. The Department of the Environment is involved in negotiations with the private sector regarding the establishment of a jointly-supported forest products research organization. The chairman of an interim board of directors has been appointed.

3. In the case of the forest products program, it is expected that the entire research staff will be employed by the new research organization.

NATIONAL FORESTRY INSTITUTE

Question No. 619—**Mr. Baker (Grenville-Carleton):**

1. Did the Minister of State (Environment) state on CBC radio at noon on November 3, 1978, that every effort will be made to locate those laid off from the National Forestry Institute of the Canadian Forestry Service in Petawawa and Ottawa and, if so, how many vacant positions does the Minister expect to have available within his department before March 31, 1979?

2. Are such positions suitable for those public servants being cut from the Forestry Service and, if not, for what reason?

Hon. Len Marchand (Minister of State (Environment)): 1. Yes. It is anticipated that approximately 300 vacant positions will become available with Environment Canada before March 31, 1979.

2. Of these 300 positions, approximately 65 may be suitable for those public servants being cut from the Forestry Service. The basic requirements of the remaining vacant positions are not compatible with the degree of forestry specialization common to both professional and technical employees who may be adversely affected by the organizational change.

Every employee who is declared surplus or laid-off will be accorded every opportunity for reinstatement in the Public Service in accordance with the Public Service priority clearance system.

Question No. 691—**Mr. Forrestall:**

As a result of the consolidation of the Forest Fire Research Institute and the Forest Management Institute at the Petawawa Forest Experiment Station, what is the exact number of employees of the Ottawa Institutes who will be laid-off or dismissed?

Hon. Len Marchand (Minister of State (Environment)): Thirty-five employees of the Ottawa-based National Forestry Institutes of the Canadian Forestry Service have received notification that their positions are surplus to departmental requirements.

FOREST PRODUCTS LABORATORIES

Question No. 692—**Mr. Forrestall:**

1. With reference to the proposed privatization of the Forest Products Laboratories, which private interests, if any, have expressed to the government a willingness to donate funds for the continuation of the research work of the (a) Vancouver Lab (b) Ottawa Lab?

2. Which private interests, if any, have indicated an interest in extending contracts for specific research work to the (a) Vancouver Lab (b) Ottawa Lab?

Hon. Len Marchand (Minister of State (Environment)): 1. The chairman of an interim board of directors has been named to establish a new forest products research corporation, to be jointly funded by public and private sector interests. An active program is in place to determine future funding, and an announcement will be made when plans are finalized.

2. See answer to Part 1.

U.S.S.R. SUBMARINES

Question No. 716—**Mr. Jones:**

What is the Department of National Defence doing about the NATO report of 1977 that the U.S.S.R. submarines have found a passage under the Polar ice to enable them to transit from their Northern bases to the ice-free waters of Greenland?

Hon. Barney Danson (Minister of National Defence): The Department of National Defence cannot comment on the existence or otherwise of a report as stated in the noted question. However, the department recognizes that such a possibility exists and conducts an ongoing surveillance program in Canadian ocean areas.

NEW FIGHTER AIRCRAFT

Question No. 729—**Mr. McKinnon:**

In their final submissions for the new fighter aircraft contract, how many of each type did the manufacturers of the (a) F-14 (b) F-15 (c) F-18L (d) Tornado propose for $2.3 billion?

Hon. Pierre De Bané (Minister of Supply and Services): In so far as the Department of Supply and Services is concerned: Cost proposals submitted by competing manufacturers to the government in the fighter aircraft competition are proprietary information and public release of this information, either directly or indirectly, would be a breach of confidence. It can be said, however, that three of the unsuccessful proposals (i.e F-14, F-15 and Tornado) were unable to offer sufficient aircraft to meet the Canadian fleet size requirement of 130 to 150 aircraft. The fourth unsuccessful contender (F-18L), although it may well have been available in sufficient numbers, was dropped from the competition for reasons not related to fleet size.

PUBLIC SERVICE COMMISSION

Question No. 813—**Mr. Friesen:**

1. How many persons are employed by the Corporate Systems and Technical Services Branch of the Public Service Commission and what is their classification in each case?

2. What is the percentage of employee lay-offs scheduled for 1979 for each classification?

3. Is the technical component of this Branch to be cut by half?

4. Will the Commission sell the equipment used by the employees to be laid off, transfer it to another department, keep it in storage, lease it out or other?

5. Does the Commission anticipate that work will have to be contracted out as a result of the lay-offs and, if so, what is the estimated cost that the Commission will budget for such a contingency?

Hon. John Roberts (Secretary of State): I am informed by the Public Service Commission as follows: 1 and 2. The number of persons employed by the corporate systems and services branch of the Public Service Commission and their classification, together with the percentage of employee lay-offs scheduled for 1979 for each classification is as follows:

Number	Classification	Percentage of lay-offs
10	AS-1	0
27	AS-2	0
10	AS-3	0
5	AS-4	0
7	AS-5	0
10	AS-6	0
1	AS-7	0
2	AS-8	0
8	AT-1	0
3	CR-1	0
51	CR-2	3.9
100	CR-3	8
90	CR-4	4.4
26	CR-5	3.8
1	CR-6	0
15	CS-1	0
11	CS-2	0
10	CS-3	0
3	CS-4	0
1	CS-5	0
1	CM-3	0
8	DA-CON-2	0
2	DA-CON-3	0
1	DA-CON-6	0
4	DA-PRO-3	0
5	DA-PRO-4	0
3	DA-PRO-5	0
1	DD-2	0
1	DD-3	0
3	DD-4	0
2	DD-5	0
1	DD-7	0
5	ED-EDS-1	0
9	ED-EDS-2	0
7	ED-EDS-3	0
1	ED-EDS-4	0
1	ED-EDS-5	0
1	ED-EDS-6	0
144	ED-LAT-1	0

Number	Classification	Percentage of lay-offs
26	ED-LAT-2	0
3	ED-LAT-3	0
12	EL-3	41.6
3	EL-5	33.3
1	EL-6	0
1	ES-4	0
5	FI-1	0
9	FI-2	0
6	FI-3	0
3	FI-4	0
5	FI-5	0
7	GL-ELE-2	0
3	GL-MDO-4	0
4	GS-STS-2	0
2	GS-STS-3	0
5	GS-STS-4	0
1	GS-STS-6	0
7	GT-1	28.5
32	GT-2	43.7
32	GT-3	28.1
12	GT-4	16.6
3	GT-5	0
1	GT-6	0
5	IS-2	0
4	IS-3	0
6	IS-4	0
5	IS-5	0
2	LS-1	0
2	LS-3	0
1	LS-4	0
2	OE-BEO-1	0
1	OE-MSE-1	0
1	OE-MSE-2	0
1	OM-1	0
2	OM-2	0
3	OM-3	0
1	OM-4	0
1	OM-5	0
4	PE-2	0
17	PE-3	0
12	PE-4	0
2	PE-5	0
2	PE-6	0
1	PE-7	0
1	PG-1	100
3	PG-2	0
1	PG-4	0
4	SI-1	0
5	SI-2	0
1	SI-3	0
4	ST-OCE-2	0
1	ST-OCE-3	0
5	ST-SCY-1	0
7	ST-SCY-2	0
4	ST-SCY-3	0
1	ST-SCY-4	0
2	ST-STN-2	0
4	ST-TYP-2	0
2	SX-1	0
1	SX-2	0
Total 895		

N.B. ED-EDS & ED-LAT belong to the Career Orientation Program which program comes under Personnel under the Corporate Systems and Services Branch.

3. The technical component of the branch, composed of employees in the EL and GT categories, will be reduced by 31.1 per cent.

4. Equipment used by these employees will remain in use.

[Mr. Roberts.]

5. The commission does not anticipate that work will have to be contracted out.

NATIONAL FILM BOARD—MULTICULTURAL PROGRAM

Question No. 818—**Mr. Mitges:**

Does the National Film Board have a multicultural programme and, if so (a) how long has it been in effect (b) by year, what (i) portion of the budget was allocated to it (ii) projects have been sponsored under the programme?

Hon. John Roberts (Secretary of State): I am informed by the National Film Board as follows:

(a) The program has been in effect since 1972.

(b)(i) Program expenditures have been:

1972-73	$316,000
1973-74	406,000
1974-75	425,000
1975-76	252,000
1976-77	302,000
1977-78	445,000

(ii) Projects carried out under the program have been:

(1) Production of films relevant to multiculturalism.

(2) Making versions in other languages of existing films that were considered relevant to the program.

(3) Distribution of the films produced under (1) and (2).

NATIONAL DEFENCE—PROJECTS IN RICHMOND

Question No. 844—**Mr. Beaudoin:**

1. Since 1968, did the Department of National Defence finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. Barney Danson (Minister of National Defence): 1. No. (a) and (b) Not applicable.

2. In so far as fiscal year 1979/80 is concerned: No.

ARMED FORCES RESERVE

Question No. 903—**Mr. Howie:**

As of December 1, 1978, how many members were in the Armed Forces Reserve in (a) Canada (b) New Brunswick?

Hon. Barney Danson (Minister of National Defence): (a) Primary Reserves strength 21,681; (b) Primary Reserve strength, N.B. 1,105.

"KGB"—JOHN BARON

Question No. 905—**Mr. Cossitt:**

1. Has any pressure been brought by the government in the distribution in Canada of the book entitled "KGB" by John Baron and, if so, what is the name and job designation of each person involved?

2. Has any government official at any time been involved with the matter of printing, distributing or censoring of the book in Canada and, if so, what is the name and job designation of each person involved?

3. To the knowledge of the government, has any provincial government been involved in the same regard as mentioned in Parts 1 and 2 and, if so, what are the details?

4. (a) Were inquiries made to the Department of the Secretary of State's Information Office and, if so (i) by whom (ii) on what date (b) were such inquiries referred to their Legal Branch (c) did the Legal Branch refer inquiries to the Cultural Branch (d) did the Cultural Branch refer inquiries to the Department of National Revenue, Customs and Excise Branch?

Hon. John Roberts (Secretary of State): In so far as the Department of the Secretary of State is concerned: 1, 2 and 3. No.

4. (a) Yes. (i) Mr. Geoff Johnson, Ottawa *Citizen* Columnist. (ii) December 11, 1978. (b) (c) and (d) Yes.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, if questions Nos. 31 and 232 could be made orders for return, those returns would be tabled immediately.

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

[*Text*]

ENVIRONMENT—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 31—**Mr. Orlikow:**

1. For the fiscal year 1976-77, what contracts for professional services were let for studies, surveys and analyses into (a) present or future policies, programmes or information analysis and their efficiency and effectiveness (b) the examination of the administration or internal operation of the Department of the Environment?

2. How much was committed on each contract and to whom?

Return tabled.

FEDERAL LABOUR INTENSIVE PROGRAM

Question No. 232—**Mr. McGrath:**

1. By department and by community, how many positions have been made or will be made available under the Federal Labour Intensive Programme?

2. By department and by community, how many persons have been hired to date (a) through Employment Canada Centres (b) not through Employment Canada Centres?

Return tabled.

* * *

[*English*]

POINT OF ORDER

MR. McKENZIE—DELAY IN ANSWERING QUESTION NO. 283

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I am sorry I have to get up so often with regard to the government's not providing answers to questions on the order paper. On October 17 last, I placed question No. 283 on the

order paper. It is with regard to ten international airports not being up to standard. All week Your Honour has heard repeated questions with regard to air safety rules not being enforced. Therefore, I feel it is time that the Ministry of Transport answered my question with regard to these ten international airports in Canada that are not up to standard.

What concerns me more is that, after placing this question on the order paper, the minister's office telephoned to ask if I could provide them with a copy of the transport document which details these ten airports that are not up to standard. That is alarming. I feel they should inform the House and the public as to whether these ten airports have been brought up to standard.

In addition, a directive was sent out last year to air safety inspectors asking that they be careful about enforcing safety regulations as it might embarrass the Minister of Transport (Mr. Lang). I hope that it is not the reason why my question is not being answered, the fact that it might embarrass the minister. I ask the parliamentary secretary to take immediate action on this question.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, I do not know whether it is true that the Minister of Transport (Mr. Lang) called the hon. member. I can look into that. With regard to his question, I can assure him it was sent to the authorized persons; as soon as an answer has been received from the department or departments concerned, it will be transmitted to him without delay. We shall endeavour to give him as complete an answer as possible, as we always do.

[*English*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

HEALTH RESOURCES FUND ACT

MEASURE TO AMEND

The House resumed from Wednesday, February 7, consideration of the motion of Miss Bégin that Bill C-2, to amend the Health Resources Fund Act, be read the third time and do pass.

Mr. Jack Hare (St. Boniface): Mr. Speaker, I wish to resume my comments on Bill C-2, to amend the Health Resources Fund Act to remove $84 million over a period of two years from medical funding programs in Canada. This bill

reflects the callousness and irresponsibility of this government, not to mention its lamentable management ability.

When my time expired yesterday, I was recounting a few of the landmarks in medical research that had been achieved in Canada. I pointed out that the cost of a medical research breakthrough is negligible in terms of the benefits derived from such discoveries. I mentioned the discovery of insulin and polio vaccine in this context.

The potential for further discoveries of this magnitude exists right now here in Canada. In my constituency of St. Boniface, heart research of an internationally recognized high level is being conducted at the St. Boniface General Hospital. This group receives thousands of dollars from the public through the St. Boniface Research Foundation. Its work has been recognized by some of the most prestigious medical pioneers in the world. Dr. Jonas Salk, who developed the polio vaccine and Dr. Christian Barnard, the heart transplant genius, have both visited and spoken on behalf of the St. Boniface Research Foundation in an effort to raise funds for the prolongation of heart research at that institution. Just last year the Duke of Edinburgh spoke on behalf of research at that institution.

The same is true of the biomedical engineering program in that the dollar efficiency of funds invested in this area is very high. My colleague from Brandon-Souris (Mr. Dinsdale) in a previous presentation cited a comment by the Minister of Justice (Mr. Lalonde) when he was minister of national health and welfare to the effect that the handicapped must be given the opportunity to participate fully in our society. This goal, and it is a very worth-while one, can only be realized through advances in biomedical engineering.

Some three quarters of the health resources fund was earmarked for construction of facilities for training health professionals and acquiring research equipment. This latter specification would indicate that the cuts announced will affect support for biomedical engineering research. What has happened to the government's pledge of 1973 to help the handicapped become independent of institutions which had never been more than palliatives for their problems? Let me quote from a report in today's *Globe and Mail* in which doctors at several teaching hospitals are quoted. The article states:

● (1600)

Tight budgeting by Ontario's health ministry has left teaching hospitals hurting most and complaining loudest about their inability to keep pace with advances in medical science. Recent interviews with senior staffs at four teaching hospitals and two community hospitals in Toronto, Timmins, Ottawa and London have revealed that an absence of money for new programs and equipment is at the top of a list of concerns arising out of the budget squeeze.

Further, Dr. Wilbert Keon, chief of surgery at the Ottawa Civic Hospital, is quoted as saying:

Academically, doctors see no new horizons... Many new methods and techniques are happening in the medical field that you would like to apply but no way here. It gets discouraging.

And so on. These reports show that the statements originally made by the minister when presenting this bill that medical research and medical funding are up to requirements are not accurate. They demonstrate that experts in the medical field are already being hurt by budgetary constraints, that their work is being hamstrung and that they are falling behind. Now the federal government is proposing further cuts which will be heaped on top of the provincial health cuts.

Canada possesses expertise in health research, especially in biomedical engineering. Our interest in the subject is borne out by the fact that in 1980 the city of Winnipeg is hosting the Rehabilitation International Congress to which some 6,000 handicapped persons will attend. I submit that our expertise in biomedical engineering as it bears upon rehabilitation will not be fully exploited if legislation such as Bill C-2 is allowed to pass. How can we be sincere in conducting a conference on rehabilitation when our own efforts in the field are so constrained?

I should like to speak for a while on research efforts with which I myself am particularly familiar. In my own research field of nutritional biochemistry I was privileged to have been involved in some of the earlier work leading to the discovery of vitamin B-12, originally known as the unidentified growth factor. It has been shown that in the absence of this vitamin a condition of pernicious anemia cannot be overcome. In other facets of biochemistry and nutrition it has been shown that microfactors are important in the health control of individuals. Consider the position of a patient in hospital who has a particular deficiency. How would hon. members feel if it were shown that, because of lack of equipment or because a research finding was not available, that patient suffered severely? In many cases the result is the death of the patient. When are members on the opposite side going to get themselves out from under the yoke of this present flip-flop direction under a Prime Minister (Mr. Trudeau) who arbitrarily alters his horses in the middle of the stream? Possibly, the answer to my question will only be given by the people at the next election.

Some hon. Members: Right on!

Mr. Hare: We trust this will be soon. On Bill C-2, it is obvious that the Liberal members feel some pangs of conscience. Although 23 speakers have come from this side of the House, only three on that side have spoken in support of the measure. This measure, a Draconian one, is weakly described as housekeeping. I suspect they are sitting on their hands, reluctant to be seen supporting it but afraid of opposing it because of repercussions in the caucus. I challenge members opposite to search their consciences, because any further action of this type affecting medical research is not going to be good for the future of our country.

Mr. Hugh A. Anderson (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I listened with great interest to the remarks of the previous speaker. It is unfortunate that he did not discuss the legislation before us, though I must say he is not alone in that omission because the speeches I have read and the speeches to which I have listened bore little relation to the piece of legislation before us. I hope that if the hon. member for St. Boniface (Mr. Hare) is ever called upon to make a speech in Manitoba on

grain, he does not deliver a speech on apples. That, in effect, is what he has done today and it is what many members on the other side have done in the course of this debate.

Mr. Yewchuk: Would the hon. gentleman permit a question?

Mr. Anderson: Might I have a minute? I realize hon. members have been dominating this debate, but might I at least have a minute?

The legislation before us is very simple. What does it say? It proposes to end an agreement which was initiated in 1966. Perhaps for the benefit of hon. members opposite I could throw some light upon the situation.

The legislation of 1966 was aimed at construction, acquisition, renovation and purchase of equipment and buildings for the individual training of health personnel. People are probably listening to this debate and wondering what members over there are doing, talking about research, when there is absolutely nothing in Bill C-2 which deals with research. The opposition has obviously not read the bill.

Mr. Yewchuk: On a point of order, Mr. Speaker. I am sorry to interrupt the hon. member but in the course of the speech which I gave I referred to a specific document, signed by the minister, which indicates that $75 million had been assigned to research of national significance. I challenge the member to deny this.

Mr. Anderson: I am reading the bill very closely to make sure there is no mistake as to what we are doing, and just for the benefit of the hon. member I will read it again. We are dealing with the construction, acquisition, renovation and purchase of buildings and equipment for the training of health personnel. I realize that hon. members opposite, unfortunately, have not been talking about this piece of legislation.

Mr. Deputy Speaker: Order. The hon. member for Athabasca (Mr. Yewchuk). I hope this does not turn out to be a point of disagreement.

Mr. Yewchuk: I find it rather astonishing that the hon. member should insist on trying to mislead the House and I hope he will smarten up.

An hon. Member: That is really dumb!

Mr. Anderson: To judge from the debate so far, Mr. Speaker, the hon. member's remarks are in keeping with those made by his hon. friends on the other side—absolutely foolish and totally uncalled for. When the health services fund was established in 1966 there were 12 schools of medicine and 800 doctors graduating. What has happened since then? We are now graduating 1,700 doctors per year. We have spent considerable amounts of money upgrading medical schools and increasing their numbers. We have at the present time the capacity to accommodate 2,500 doctors in classes in the universities and similar establishments, but 1,700 are actually in place.

• (1610)

The opposition is saying that what we should be doing is spending millions of dollars to put up more buildings and provide more equipment in order to graduate more doctors. The situation is such in the medical profession, for example, that we could graduate an additional 800 because we have space for them. What the opposition is saying is that we should not see how many people we have there, let us just spend the money. The fact that we have now produced the plants and the facilities for doctors that are in keeping with the demand apparently has no meaning to the opposition. They say that regardless whether we have full plants in operation to meet Canadian needs, what we should do is to continue spending money on the expansion of these facilities. I find that very hard to accept from a party which claims it is looking for ways to cut down government expenditure, the same party which now says that regardless whether we have fulfilled our obligations, which we did, we should continue with that program even though the facilities are not needed.

It is a fact that the total number of dentists who graduated in 1977 was 350. That number has increased dramatically to the point that we are one of the best served nations so far as dentists go.

With regard to nurses, 7,000 graduated in 1966, and now 10,000 have graduated. The fact that we have probably no more jobs available for nurses due to the fact that we have one of the highest nurse-patient ratios apparently has escaped the hon. member who rose on a point of order. His proposal is, I suppose, that we should continue expanding nursing schools even though we do not need more nurses.

I point this out only because we are not proposing to cut down on essential services to people. Quite the contrary, the Liberal government established in 1966 a significant program to assist the provinces in providing facilities for doctors, dentists, nurses and dental assistants. The Conservative party and others say that regardless whether or not we achieve that, we should keep spending money to increase it. I say to hon. members that if they wish to debate the particular point of the necessity for added facilities for training doctors, nurses and dentists, then they should come up with statistics to show it.

I ask the hon. member who spoke before me this. I wonder what provinces have come forward since a telex advising the provinces of this program was sent out in September demanding that the federal government continue the expansion of teaching facilities. The silence is deafening. However, apparently this does not stop the opposition parties which say that we should still go on with the program.

I intervened for a few minutes for one reason only. Since we are dealing with an equipment and construction program which has served the people of Canada well, is it not foolish to continue with a program which is not necessary at this time? It might be necessary at some time in the future; additonal facilities might be required at some time. However, at this time when we as a government are attempting to be responsible in assessing where money is most needed, that particular area is not one with a high priority.

Mr. Arnold Malone (Battle River): Mr. Speaker, if we can skip the last speaker, I should like to say how pleased I am to have the opportunity to follow the hon. member for St. Boniface (Mr. Hare). In relation to the last speaker I should like to express my absolute and total surprise that someone would come to this House and make a submission that we have already spent all the money to give us the adequate number of doctors and dentists, and that we have a full complement of nurses, no more being needed. Certainly he must be a person who has not visited a senior citizens' home or a nursing home in recent years or he has not been around medical institutions recently. Because if he had, he would have recognized that what he said is a blatant misunderstanding of the facts of Canadian life. I might say that what he misunderstands are the facts of Canadian ill health in terms of the situation we would have, the need for nursing homes and the like.

He said that we had some of the finest medical facilities but that all this party wanted to do was to spend money. The truth is that it is not a question whether or not the federal government is spending money; it is a question whether or not the federal government is getting out of a commitment. This government has a commitment with the provinces of this country which it should live up to.

While the hon. member for Comox-Alberni (Mr. Anderson) stands in his place and states that the government has no need to fulfil that commitment, that it spends money wisely—as is shown by Mirabel airport no doubt—I submit that it is not by chance that not one of the medical doctors on the government side of the House has chosen to speak on this bill. I think it should be pointed out that there are three medical doctors on the other side of the House. There is a doctor from the constituency of Halton (Mr. Philbrook), a doctor from the constituency of Hull (Mr. Isabelle) and a doctor from the constituency of Welland (Mr. Railton). Not one of them chose to speak. It will be interesting to see whether or not they are in the House when the time comes to vote.

What is more important, they have to ask themselves the serious question whether they will vote yes to restrict medical services in this country, being as they are in the profession of medicine. Because we have before us a bill to cut the contract by $84 million. The new title for the minister should now be the "minister of wealth and hellfare". Hers has been a Robin Hood attack upon the poor, leaving the rich to fend for themselves because, in her view now, they are the only ones who can.

This bill breaches humanitarian purposes. It is a bill which reflects bad faith in negotiations and contracts with the provinces. It restricts health services and facilities, and it has callous disregard for the health needs of this country.

The position of the government party has been that they are doing this out of a concept of restraint. Since we on this side have been a party which has always favoured restraint, the government party tends to say that there is a conflict therein. The problem is that there is only one taxpayer, whether he pays municipal, provincial or federal taxes. When services are needed, the options are simply these: either the federal government will pay for them or the provincial government will have to pick up the tab. If the provincial government does not, then the citizen at large will have to pay. The funds come from the same source anyway. If the citizen at large does not pick up the tab, you will have the simple and obvious result of inadequate health services.

[Mr. Anderson.]

I submit that what we have here in this bill is not a question whether we are saving or losing money, but whether or not we have a government that is in breach of contract. This is a government which has promised the provinces it will fund until 1981 a program which has some $84 million yet to be spent. The government is saying that it will now cut off that program without giving notice.

● (1620)

The fact that the government did not give notice caused some considerable damage. I should like to refer to some of the damage which has occurred across the country. Now the Government of Canada is faced with a more expensive situation than it would have faced if it managed to keep the program going. For example, at the time the program was cancelled, a druggist in Alberta had 14 prescriptions for native and Indian people, 13 of which were for children under the age of six. Because the program was cancelled, those people were unable to get their prescriptions filled. On the average the prescriptions cost $12, but because they are unable to get the prescriptions filled, their choice is a day in hospital costing $120. If the government assumes that this cutback will save money, it is just another example of not knowing the facts of the situation. Only two days' notice was given to the druggist that the plan would be abandoned, and the native people received no notice whatsoever. That is an example of harsh and callous treatment by a department in the medical health services field. Its principal objective ought to be a humanitarian one.

I could not agree more with the article which appeared in the Toronto *Star* on April 13, 1978 at page 10. It is entitled: "Research support 'scandalous' ". It fully documents that Canadian research is scandalous. Also I agree with the article entitled: "Boss Bégin's in trouble" which appeared in the January 27, 1979 edition of the Toronto *Star*. It attacked the administration of the Department of National Health and Welfare, now renamed the "department of wealth and hellfare". In part that article reads:

> —but disdain for her inability to provide direction and fiscal control.

It continued:

> —her department is floundering under her scattergun approach and her indecisive dodging.

Further on it reads:

> But they all suggest it is not easy working with a minister who is so nervous that she has specifically ordered senior officials not to discuss her, who is suspicious of all those who hold opposing points of view, who often blames others for her errors and whose tremendous personal warmth and intelligence is marred by bursts of impatience and erratic concentration.

Mr. Deputy Speaker: Order, please. The Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Robinson) rises on a point of order.

Mr. Robinson: Mr. Speaker, I rise on a point of order. The hon. member is reading from a newspaper article. The fact he is reading it does not mean the content is true. I think that should be understood.

Mr. Malone: This is the first time I have heard a government member indicate that something appearing in a newspaper was not true.

Some hon. Members: Oh, oh!

Mr. Malone: For some weeks now the government has been enjoying quoting from newspapers. Whether the article is true or not—

Mrs. Holt: If that is your only research, perhaps it is not very good.

Mr. Malone: I hear the hon. member for Vancouver-Kingsway (Mrs. Holt). The manner in which the government treated research means that now members of parliament do not have enough money to conduct any research. The government has abolished research in the country by cutbacks. There is no such thing in Canada any more.

Mrs. Holt: I am talking about newspaper research.

Mr. Malone: The federal government has a new scheme for saving money. It exports our best talent to the United States, which saves federal government research money. That is the manner in which the government keeps up the balance of payments. If there are any qualms about my research, it comes back to the fact that no funds are available for research in this country.

Mr. Friesen: The minister cannot translate documents, let alone do research.

Mrs. Holt: You are a member of parliament. You should be doing your own research.

Mr. Malone: As a member of parliament I can do my own speaking. Referring back to the January 27 article, it continues:

"But she's incompetent to run a department—she's making bad decisions because she doesn't have a sense of how to take charge and because she wants to be nice to everybody and not hurt anybody."

Rumour has it that the minister is now blaming her parliamentary secretary for the particular document from which I just read. Also the Toronto *Star* made some interesting observations in relation to research, which will be of great interest to the hon. member for Vancouver-Kingsway.

Mr. Deputy Speaker: The hon. Parliamentary Secretary to the Minister of National Health and Welfare rises on a point of order.

Mr. Robinson: Mr. Speaker, I rise on a point of order. The hon. member made mention of the fact that rumour has it that the parliamentary secretary was responsible for the profile of the minister which appeared in the Toronto *Star*. Categorically I say that I had nothing whatsoever to do with it.

Mr. Malone: I can only say that I categorically believe the hon. parliamentary secretary. I said rumour has it. I do not accept that he is that type of fellow. I would be the first one to indicate that the hon. member for Toronto-Lakeshore (Mr. Robinson) is not in that category.

An hon. Member: Don't be a rumor-monger.

Mr. Malone: Returning to the article dealing with Canada's position on research, it reads:

"No other nation of the western world has treated biomedical research in such a disastrous way"—

The author of the article is referring to Canada. It continues:

—the budget of the Medical Research Council of Canada declined from .38 of the gross national product in 1967 to .26 per cent in 1976.

There is a continuing decrease in our research budget. It continues:

In the same period, the percentage spent on biomedical research of the total spent on health care in Canada went down from 1.12 in 1969 to .46 in 1976—

In other words, it was not cut to half, it was cut to approximately a third in less than a decade. The article continues:

"One of the results of this policy was that between 300 and 400 biomedical research workers were lost in the fierce competition for funds"—

Earlier the hon. member for Comox-Alberni (Mr. Anderson) said that we have plenty of people, but interestingly enough he was not aware of Canadian medical needs. The hon. member is quite content to submit to an adequate situation when researchers are chased out of the country because of the $84 million cutback.

It is interesting to note that only a few Liberal members have spoken in favour of this piece of legislation, yet not one medical doctor on their side has risen. Also it will be interesting to see what the hon. member for Halton, the hon. member for Hull and the hon. member for Welland will do when the vote on this particular bill takes place.

The hon. member for Oxford (Mr. Halliday) stated that the half-life of a physician's knowledge is somewhere between five and seven years. I would like to add that the half-life of a government minister is about six months, and it is just that—a half-life. This government though seldom awake is now celebrating one. In 1976 the federal government gave its word to the provinces through the health resources fund that there would be adequate health facilities, adequate funding for personnel and research and for the provision of a necessary health delivery system. With that commitment the provinces set out their programs.

• (1630)

I am sure we all know that there comes a time when you back off if the situation warrants it and you have mutual agreement. The fact of the matter is that the provinces were not consulted here. It is interesting to go through the data, province by province from the Pacific to the Atlantic, because therein you will find that virtually not a single province was consulted by this government on its decision to withdraw the remaining funds under this program. Sure, they received phone calls from someone who said: Hey, guess what; we are cutting the program. There was no consultation about a phase-out, or advance notice of the suggestion that this government was going to cut this program off at some future date, with a date specified.

What in fact has happened is that the provinces from sea to sea have made plans one or two years ahead for the construction of facilities. They have hired architects and put staffs into position on the basis of a commitment by the federal government in respect of ongoing funds through to 1981. The government now is simply slicing off $84 million with the net result that, while there has been consultation to the extent of phone calls, the provinces are left in the disastrous situation of having to curtail programs for which they have already committed the funds. What we have in essence is a game in respect of which the rules have been changed in mid-play.

This government has dealt a raw, rough and callous blow to the provinces of this country. The situation could have been different had things occurred as suggested by the hon. member for Comox-Alberni, and that is with consultation with the provinces and agreement to cut the program back. That would have been a very different situation. However, to allow these provinces to go ahead and commit funds—I will document that in a few minutes—and then cut off the money without consultation, leaving provinces such as Prince Edward Island, New Brunswick, Nova Scotia, Newfoundland and the rest carrying the burden of the cost of projects to which they have committed themselves, can in no way be considered a savings for the taxpayers of this country.

The federal government has chintzied out of its obligations by saying it is saving money, only to force the taxpayers to fund these projects from another pocket because of provincial commitments. That is not fair, and certainly it is not fair government. It is about time this kind of tactic of pretending the government is cutting back, when all it is doing is shifting the burden of expense, should be made clear to Canadians from coast to coast, so that at the time of the next election they will know that if they put this government back they will have unfair government.

What this government has done is cut down on the number of dollars available for health care. As a result of this cutback the people have been given a choice. The burden must now be shifted to the provinces, municipalities or to family budgets, or, in the alternative, the public must put up with inadequate health and, in the final analysis, death itself. That is really what will be the result of this government's cutting down on funds available.

Since we are debating a bill relating to health, I should like to say it is very unfortunate that in the consideration of health care we have adopted programs that have been intact for years and essentially look after the health of Canadians from the epiglotis down. In other words, they look after you from your epiglotis to your toenails, but they are unconcerned with the human head. Our health programs do not look after the teeth or the eyes, will not provide a hearing aid if that is what an individual needs, and do not take care of psychiatric expenses. Under the Canadian concept one can have a perfectly healthy body but health programs do not cover the head.

It seems to me this has derived from some medieval thinking that if for some reason an individual is insane he should be put in a basket and spun about because this condition is not covered by health care. If this government thinks that is some reason for cutting back, perhaps it is time we started providing medical care from the larynx up, or started looking after the whole human being including teeth, eyes, ears and psychiatric needs where there is evident necessity.

I have often condemned this government for its failure to consult with the provinces. Let me refer to what some of the provincial ministers of health have stated in relation to the question whether there was consultation on the part of this government before it decided to cut $84 million from provincial services. According to Mr. Collins, minister of health for Newfoundland, he was informed only and not consulted. He said he was quite unhappy about Bill C-2 because Newfoundland has no more money now to help out with the health services centre at the university in St. John's. That is very unfortunate because this is money which the province has already committed. That will now become a burden on the taxpayers of that province.

Mr. Anderson: Mr. Speaker, I rise on a short point of order. It is my understanding that all agreements signed prior to September have been fully honoured. If the hon. member has any further information in that regard I would be pleased to hear it.

Mr. Malone: Mr. Speaker, I am amazed that the hon. member would raise that point of order when I have dealt only with Newfoundland. Since I am starting from the east and working west, with ten provinces there will be occasion for nine more points of order.

Let me now go to New Brunswick, because that province claims it was not consulted. The operations consultant of the province of New Brunswick, Mr. Swift, has said that they have received all their allocated money and that one project was under way with $4.8 million committed. That was money committed to the Saint John Memorial Hospital at the time this government decided to yank out its support.

Let me go to the province of Nova Scotia where Mr. Ruby is the acting deputy minister.

Mr. Robinson: Mr. Speaker, I rise on a point of order. I would like to correct one point the hon. member made with

regard to Newfoundland and funds required for the memorial—

Mr. Deputy Speaker: Order, please. I would hope that parliamentary secretaries and hon. members will give the hon. member the opportunity to complete his speech, following which they can in turn seek the floor.

Mr. Malone: Mr. Speaker, just to make it easier for hon. members on that side, and so they do not have to raise so many points of order, the phone number of the last person to whom I have made reference is 424-7570. The hon. member can check directly with him. He said that programs for training and research under way or in the planning stage will have to be modified or eliminated. He said that Nova Scotia objects strenuously, and that they will lose $2.2 million on projects. I have only referred to three provinces and they all say they do not like this, because in the belief that this money would be available from the federal government until 1981 they went ahead as usual.

• (1640)

One does not build hospitals or hospital facilities overnight. One hires architects, does facility studies and need studies as to where the buildings ought to be located at least a year in advance. Money has been committed, but the federal government simply yanks it away, leaving the provinces with the alternative of letting the money go down the drain completely or picking up the entire bill themselves. If the provinces choose the latter, then this government is being dishonest when it says that it is cutting taxpayers' dollars, because what they are really doing is merely cutting their commitment, leaving it to the provinces to pick up the tab.

I would like to quote what the province of Manitoba said in this regard:

> We were notified but not consulted, very upset and attempted to meet with Ms. Bégin, but no co-operation.

As a result of the change in plans by the federal government, Manitoba expects it will have a shortfall totalling $7.2 million, money which is presently committed in the planning stage of proposed development.

Mr. R. H. McClelland, minister of health for British Columbia, said in a telegram to the Minister of National Health and Welfare (Miss Bégin):

> New children's hospital and the Grace Hospital included in B.C. five year program has not been approved yet. The projects are committed. Provincially on the basis that the health resources fund were available. A shortfall of approximately $4 million on this new medical teaching complex presently under construction at a cost of $51 million.

The taxpayer is not saving money, he is merely paying out of a different pocket because the province of British Columbia—and I note that the hon. member for Comox-Alberni (Mr. Anderson) has now decided to leave the Chamber—will have to pick up the tab. The fact is that that province will have to pay out $4 million in committed funds because the federal government is not going to follow through on their commitment to the provinces.

Mr. Gordon Miniely, minister of health for Alberta, said that he was informed but not consulted. He goes on:

> The southern Alberta Children's Hospital in Calgary is in the middle of construction. Originally they were advised that it would qualify for commitment.

The federal government did not follow through on that commitment and as a result Alberta will have a shortfall of $3.5 million. The message from the other side is that the federal government is saving money.

Mr. Robinson: On a point of order, Mr. Speaker, the hon. member just mentioned that the Alberta children's hospital in Calgary was denied the sum of $3.5 million. That is totally wrong in that a project was approved—

Mr. Deputy Speaker: Order, please. I must say that the point of order raised by the parliamentary secretary is also totally wrong. In due time he can rise to his feet, seek the floor and make a speech of his own in which he can put forward his own interpretation. At the present time it is the hon. member for Battle River (Mr. Malone) who has the floor.

Mr. Malone: Mr. Speaker, I stand by what I say about the province of Alberta. I will not mention the provinces of Prince Edward Island, Quebec and the others, except to say that the central message is that they were informed but not consulted. I will not document the particular facilities which they were planning on the basis of a contribution from this fund. Just about every province in Canada has made long-term commitments for development on the basis that the dollars would be coming, but the federal government in its callousness simply pulled the rug out from under them, leaving them financially high and dry and stuck with the bills to which they were already committed.

The Minister of National Health and Welfare stated in her speech in the House with regard to this particular bill:

> The government of Canada has a difficult decision to make in applying a major, traumatic, restraint on its own expenditures.

The government is not cutting back on expenditures, it is simply shifting them to another part of Canada; but the money will still come from the same taxpayers.

In closing, I would like to say that we are coming to the end of the debate, but not the end of the issue. This bill should be voted against for its failure to support medical research, which is disastrously weak and unacceptably low in Canada, and for its failure to consult with the provinces, which has become a habit of this government that has reached epidemic proportions. The government's approach is simply to telephone the provincial governments and tell them what they have unilaterally decided, and then turn around and call it consultation. Bill C-2 should be defeated for its attack on the poor, the aged and the invalid, all of whom are victims of Bill C-2 because they can least afford this cutback. This bill affects the very people who should be least affected in any way at all.

This government talks of a new constitution in which it would like to include a charter of human rights. There is no such thing as human rights when one does not have good health. The freedom to speak is really a useless right when one

is in bed with fever. The freedom to worship is of little value if somehow your health has completely deteriorated. The freedom to assemble is of little value when one is confined to hospital.

Good health is a right which we should expect in this advanced technical and democratic society. I am totally amazed that the government would choose people's health as an area of restraint, throw the burden to the provinces and then pretend that it has done its duty. It is a facade which the people of Canada will see through and will say to the government that they will not accept this kind of nonsense any longer.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

* * *

● (1710)

[*Before the taking of the vote:*]

Mr. Speaker: Before putting the question, may I make two very brief announcements to the House. I think the House is aware that I intended and was ready to make a brief pronouncement on the discussion of motions pursuant to Standing Order 43 this afternoon. However, the point of order was raised by the Deputy Prime Minister (Mr. MacEachen) and he is unavoidably absent today. We will arrange to do it the first time he is back in the House.

[Mr. Malone.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for York-Simcoe (Mr. Stevens)—Economic Development—Current account deficit—Government action to reduce; the hon. member for St. John's West (Mr. Crosbie)—Air Transport—Use of emergency locator transmitters in aircraft; the hon. member for Burnaby-Richmond-Delta (Mr. Siddon)—Lotteries—Promotion of Loto Select.

GOVERNMENT ORDERS

[*Translation*]

HEALTH RESOURCES FUND ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Miss Bégin that Bill C-2, to amend the Health Resources Fund Act, be read the third time and do pass.

[*English*]

The House divided on the motion (Miss Bégin), which was agreed to on the following division:

(*Division No. 34*)

YEAS

Messrs.

Abbott
Allmand
Anderson
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Béchard
Bégin (Miss)
Blais
Blouin
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Corbin
Corriveau
Côté
Cullen
Cyr
Dawson
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Duclos
Dupont
Dupras
Ethier
Faulkner
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gillespie
Goodale
Gray
Harquail
Herbert
Holt (Mrs.)
Hopkins
Horner
Isabelle
Jamieson
Joyal
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapointe
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)

Messrs.

MacDonald (Cardigan)
MacFarlane
MacGuigan
Maine
Marceau
Marchand
Martin
Milne
Munro (Hamilton East)
O'Connell
Ostiguy
Ouellet
Parent
Pearsall
Philbrook
Pinard
Prud'homme
Reid
Roberts
Robinson
Rompkey
Rooney
Roy (Laval)
Sauvé (Mrs.)
Stollery
Tessier
Trudeau
Trudel
Turner
Watson
Whelan
Wood
Young—101.

NAYS

Messrs.

Alexander
Alkenbrack
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Beaudoin
Benjamin
Blackburn
Brewin
Brisco
Corbett
Crosbie (St. John's West)
Crosby (Halifax-East Hants)
Crouse
Darling
de Cotret
Diefenbaker
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Elzinga
Epp
Faour
Forrestall
Friesen
Gauthier (Roberval)
Gillies
Grafftey
Halliday
Hare
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Huntington
Jelinek
Johnston (Okanagan-Kootenay)
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Lawrence
Leggatt
MacDonald (Miss) (Kingston and the Islands)
Malone
Masniuk
Matte
Mazankowski
McCain
McCrossan
McGrath
McKenzie
McKinley
McKinnon
Murta
Nielsen
Nystrom
Oberle
Paproski
Patterson
Peters
Roche
Rodriguez
Schellenberger
Scott (Hamilton-Wentworth)
Siddon
Skoreyko
Stevens
Symes
Towers
Whiteway
Whittaker
Wise
Yewchuk—77.

● (1720)

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

Some hon. Members: Six o'clock.

Mr. Speaker: Is there an understanding about the disposition of business for the private members' hour? Shall we call it six o'clock?

Some hon. Members: Agreed.

Mr. Speaker: It being agreed that we call it six o'clock, I do now leave the chair until eight o'clock this evening.

At 5.25 p.m. the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

Pensions

STATUTE LAW (SUPERANNUATION) AMENDMENT ACT, 1978

MEASURE TO CHANGE RETIREMENT BENEFIT PROVISIONS

Hon. Judd Buchanan (President of the Treasury Board) moved that Bill C-12, to amend the Supplementary Retirement Benefits Act, the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act and the Members of Parliament Retiring Allowances Act, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Mr. Speaker, Bill C-12, like most pension documents, has a rather intimidating technical appearance. In spite of this forbidding facade, hon. members will find that the objectives of the bill are relatively simple and straightforward. Briefly stated, the main purposes of the bill, are, first, to implement the public service indexing modifications that my predecessor outlined in the House on March 9, 1978; second, to give effect to the agreement that the government reached in 1976 with the Canadian Air Traffic Controllers' Association that it would ask parliament to provide pension for the unique conditions faced by air traffic controllers who spend many years working in the stressful environment of air traffic control towers; and finally, third, to alter existing arrangements for amortizing actuarial liabilities, and to deal with a number of other technical matters.

Before discussing the substance of the bill, I would like to say a few words about the government's intentions with respect to the proposed effective date of the bill. As it now reads, Bill C-12 proposes that the amendment advanced in the bill take effect on January 1, 1979. When Bill C-12 was introduced in the House on October 26, 1978, it was the government's hope and expectation the bill could be enacted before the end of the year, so that it could be applied to the January 1, 1979, pension adjustments. This could not be achieved. So, the January 1, 1979, pension adjustments had to be calculated in accordance with existing statutory provisions.

● (2010)

Hon. members will recall that on December 12, 1978, I gave an undertaking to the House that the government would not attempt to alter public service pensions indexing arrangements in a retroactive manner. To give effect to this undertaking I will be proposing a number of amendments to the bill at an appropriate stage in the consideration of it. Virtually all of these amendments will concern themselves with effective dates: an effective date of January 1, 1980, for the introduction of the triennial pension supplementation arrangements described in the bill so that the first review and decision on these arrangements would apply to the 1980-82 period; an effective date of April 1, 1979, for implementation of the proposals respecting the deferral and prorating of pension supplementation payments and the commencement of the collection of extra current service employee contributions required by air traffic controllers for the improvement in their pension benefits which is proposed in the bill; and that all

other proposals come into effect upon Royal Assent of the bill. Finally, I should like to mention that the delay in parliament's consideration of the bill has given the government an opportunity to carry out a general review of the bill. Accordingly, a few amendments will be introduced to clarify and improve several areas of the bill. I should add that none of the proposed amendments in this category involve pension benefits provisions.

Now I should like to turn to the objectives of the bill which I listed at the outset of my remarks. The most important one by far, in terms of principle and the number of people it affects, is the one concerned with modifying the arrangement under which the pensions of former public servants, military and RCMP personnel, and members of parliament now are automatically indexed with changes in the consumer price index. Bill C-12 proposes that the existing arrangement be changed in two fundamental respects. It proposes the removal of the automatic feature which now exists, and the removal of the continuing requirement that the adjustments be calculated in accordance with the consumer price index.

In my view these changes will go a long way toward resolving the central controversies in the public service pension debate. I think I speak for most members of the House when I say that resolution of the key public service pensions issues has been hampered seriously by some of the emotional and distorted arguments inflicted upon Canadians over the past few years on the costs and economic consequences associated with treating pensioners in a fair and humane manner.

Some hon. Members: Hear, hear!

Mr. Buchanan: For example, arguments have been advanced that if pensioners are allowed to purchase the same goods and services in times of inflation as in times of no inflation—and when boiled down to its essentials, that is what pension indexing is all about—it would be the death knell of Canadian industry, and it would create such immense inflation that it could bankrupt the nation. It is a tribute to the good sense of Canadians that there has been a general rejection of the shrill call to arms raised in some quarters that Canada should fight inflation by sacrificing the victims of inflation.

Some hon. Members: Hear, hear!

Mr. Buchanan: I regret to say we have not seen the end of these emotional distortions. Indeed, we have just witnessed another one of the National Citizens' Coalition periodic newspaper ad diatribes on the subject. This latest outburst of the coalition indicates that the government has received a new report on public service pensions. The ad suggests attempts have been made to suppress the report which the coalition describes as a "shocker", because, in its view, it demonstrates public service pensions are costing or will cost taxpayers an extra $5,160 annually for each public servant, in short, an extra annual cost of over $1.5 billion, for a total over-all cost of $2 billion. What a pile of rubbish!

Let me outline briefly the facts of the situation. The report mentioned is not a new one. It was submitted to the government in December, 1977, and released to the public on March 9, 1978. The suggestion that the report was suppressed is ridiculous. Copies of the report were circulated to all members of the House, the Press Gallery, unions, business firms, interested associations, and many libraries across Canada. Even today, more than a year after its completion, the report is being sent to individual Canadians upon request.

The statement that public service pensions will cost taxpayers $2 billion annually is sheer nonsense. In this regard I merely point out the employer contributions underwritten last year by taxpayers for both basic public service pensions and their indexing amounted to $490 million. That works out to 10.8 per cent of payroll, not 34.4 per cent. Furthermore, if Bill C-12 were enacted, it will ensure that over-all employer contributions for public service pensions will be restricted to 10 per cent to 12 per cent of payroll, the average level wich prevailed during the 1950s and 1960s before public service pensions were indexed. In terms of its impact on taxpayers, in short, Bill C-12 turns the public service pension clock back to the same stage as they were in the 1950s and 1960s.

It is important to recognize the latest coalition ad for what it really is: a mathematically orchestrated exercise, replete with partial truths and innuendoes, to persuade Canadians to fight inflation on the backs of pensioners, widows and the disabled. This is a most odious and reprehensible form of discrimination because clearly pensioners, widows and the disabled, are the victims and not the cause of inflation. I am confident Canadians will reject the call to fight inflation by victimizing the victims of inflation. Indeed, I should like to take this occasion publicly to urge the coalition to use its considerable energy and resources to join other Canadians in working toward a fair and humane deal for all pensioners, widows and disabled Canadians.

Some hon. Members: Hear, hear!

Mr. Buchanan: The most serious consequence of the highly publicized campaign conducted against the indexing of pensions has been its effect in polarizing extremist opinion on the subject. This polarization has had the unfortunate result of distracting public attention from the more thoughtful and quietly expressed opinions of those with a genuine concern for both the welfare of pensioners and the Canadian economy. Those who have taken this balanced approach in the indexing debate have been correct in drawing attention to the fact inflation brings about increases, not only in the consumer price index but also in interest rates. This simple fact means that properly managed employer pension plans have a considerable built-in financial capacity to repair the damage inflation creates in the incomes of pensioners.

The fact inflation has an effect on both the costs and revenues of an employer pension plan effectively exposes the Achilles heel in the position of the indexing doomsayers. Nevertheless, it must be recognized that while extra earnings realized by properly managed employer pension plans, in times of inflation, go a long way to answering the concerns about indexing costs, they do not answer these concerns completely.

It must be stressed that inflationary pension fund earnings are capable only of meeting inflationary pension costs entirely if interest rates and other investment returns keep in step with the consumer price index. If inflationary earnings cannot keep up with inflationary costs, and if employer and employee pension contributions ear-marked for indexing are insufficient to close the gap, the inevitable result is a deficit which usually must be financed by employers. And when the employer pension plans are operated by government, the financing of these deficits falls upon the taxpayer.

● (2020)

The underlying thrust of Bill C-12, hon. members will recognize, is directed at meeting this concern by ensuring that the extra earnings of the pension program are sufficient to meet supplemention costs. To achieve this objective, the bill proposes to convert the pension adjustment features of the program into a money purchase approach along the lines that were described in the House on March 9, 1978. In other words, the bill proposes that public service employee pensions, in future, be adjusted according to the degree of supplementation that can generally be financed or purchased by the funds becoming available from extra interest earned on pensioner money in the program, and the special employer and employee contributions that have been made for indexing. The bottom line result of this approach is that it will provide taxpayers with a statutory assurance that the government employer contributions required of them to finance these supplements will be reduced and restricted to the order of 1 per cent of payroll. This, in my view, will place the program on a more financially responsible and equitable basis from the points of view of both those who will be receiving the supplements and those who will be paying for them.

Since the intentions of the government to adopt this new principle in public service pension arrangements were announced, there has been an encouraging show of support for this proposed concept. In this regard, I take particular satisfaction out of the degree of all-party support that was demonstrated in the House when the concept was first described here in March of last year. In addition, shortly thereafter, I was pleased to learn that the approach that was being proposed for the federal public service was similar to an approach being advocated for the private sector by the Cofirentes Plus Committee of business and government officials which has been examining public and private pension arrangements in the province of Quebec for the last few years. According to the April 8, 1978, edition of the *Financial Post*, the Cofirentes Plus Committee concluded that the dilemma of uncertainty that indexing creates for employers and that its absence creates for pensioners might be resolved by the introduction of legislation, and, I quote:

—to require at least partial indexing of private pension plans to the cost-of-living. The committee recommends that excess interest over the assumed actuarial rate on funds invested for pensioners should be used to improve pensions.

The approach also appears to have struck a responsive chord amongst some sections of the actuarial community judging from a statement that a prominent Canadian actuary made before a group of actuaries last summer when he said:

—it is now the perceived, conventional wisdom among private employers that only governments can afford it (indexing). The facts, I think, are rather different. Of course, indexing, especially open-ended unlimited indexing for the full increase in the consumer price index, is expensive, and the cost is not only significant but highly volatile because the incidence of inflation itself is so volatile. However, the cost is finite, not infinite, and the volatility can be controlled through appropriate limitations on full indexing and through a commitment to devote the inflationary element of investment income on pensioner liabilities to meeting whatever the costs may be.

That cheer from the lobby obviously means that the Canadians have scored a goal in the Russian-NHL Challenge Cup game. I can tell that I am running tough competition tonight.

An hon. Member: We should have shut down.

Mr. Buchanan: As I mentioned a few moments ago, Bill C-12 effectively puts public service pension supplementation arrangements on a money purchase basis, and so deals head-on with the issue of cost uncertainty that is generally associated with indexing arrangements. Consequently, if Bill C-12 is enacted, I think we will see a change occurring in the key question that is usually asked about the indexing of public service pensions; that is, with the enactment of C-12, the question "How much will indexing cost?" should gradually give way to the question "How much indexing will there be?" Indeed, like other members of the House, I am finding that this change is already taking place in the correspondence I am receiving on the subject.

Given the prospect that pension supplements would have to be curtailed if earmarked revenues are insufficient for full indexing, I feel it is important that other features of the program be re-examined so that we can assure ourselves that the supplementation arrangements, taken as a whole, are fair and equitable in terms of their over-all impact on different groups of pensioners. When such an examination is carried out, I think it must be concluded that some features of the program are not as fair as they could be.

One feature of the program that is widely regarded as being unfair is the provision which gives public servants retiring at the end of the year the same post-retirement adjustment as those retiring at the beginning of the year. No reasonable person, I believe, could take issue with the statement made by the hon. member for Winnipeg North Centre (Mr. Knowles) on March 9, 1978, when he said:

This idea that a person can retire on December 29 or 30 on full pension, and then get a year's indexation two or three days later, just does not wash.

Bill C-12 proposes to correct this situation by prorating the first adjustment granted to new pensioners according to the length of their retirement in the first calendar year. With the amendment I will be proposing, new pensioners will in effect mean individuals becoming eligible for pension benefits on and after April 1, 1978.

Mr. Baker (Grenville-Carleton): 1979.

Mr. Buchanan: Yes, 1979. I am glad to note that you are following this with such close attention.

Mr. Baker (Grenville-Carleton): I always follow the minister with close attention.

Mr. Buchanan: The savings resulting from this change will obviously make more money available for the supplements of other pensioners.

Another feature of the program that requires re-examination is the provision which, in some instances, allows individuals receiving pensions before the age of 60 to receive immediate indexing payments. Generally speaking, individuals drawing pensions before the age of 60, because of their younger age at retirement, will receive pension payments for a longer period than those retiring at age 60 or later. In these circumstances, we must ask ourselves if it is fair that those who draw basic pensions for the longest periods of time should, on top of this advantage, also be allowed to collect pension adjustments for a longer period than those who retire at age 60 or later. In other words, is it fair that "those who have, get, and those who don't, don't?" Bill C-12 deals with this situation by proposing the general deferment of pension supplement payments to age 60.

Mr. Knowles (Winnipeg North Centre): It depends on how long they live.

Mr. Buchanan: That is true, but actuarially they should all live the same average number of years.

Fairness, however, dictates that some exceptions be made to this change, and that the change itself be implemented in a fair manner. Accordingly, Bill C-12 proposes that payment of pension supplements not be deferred for individuals who have already retired; nor for current and future recipients of disability pensions or survivor benefits. The bill, with the proposed amendment I have described, also provides that the change be implemented gradually so that for those who leave the public service this year, on and after April 1, 1979, 56 would be the earliest age at which the supplements could be collected; for those who leave the public service in 1980, the earliest qualifying age for receiving the supplementation payments would be 57; for those who leave in 1981, the minimum qualifying age for receiving pension supplements would be age 58, and so on. The savings resulting from this change, like those resulting from the prorating change, would have the general effect of minimizing any curtailment that may be required in the triennial supplementation arrangements, particularly after 1982 when the change would be fully operative.

● (2030)

I want to take this opportunity, Mr. Speaker, to say that the principle of fairness among pensioners is the principle that the government also intends to follow whenever the three-year reviews, which are required under the bill, produce forecasts of revenues from extra pensioner interest earnings and indexing contributions as defined in the bill that will be insufficient to finance fully indexed supplements. The bill provides that when such situations arise pension supplements must be curtailed to match income revenues. The simplest way of doing this, of course, would be on an across-the-board basis, that is, for example, by authorizing supplements equal to 90 per cent of the expected increase in the consumer price index if that is what triennial forecasts indicate is all we can afford. Although simple and easily understood, such an approach, in my opinion, would not be an equitable one for those on the lower end of the pension income scale.

As we all know, pensioners with low incomes have a particularly difficult time in coping with a reduction in the purchasing value of their incomes. Consequently, when revenue shortfalls require a curtailment of pension supplements, the arrangements established cannot, in my view, be determined solely on a cold balance-sheet basis. In short, I believe that fairness and equity require a measure of full indexing up to some minimum benefit level.

The periodic establishment and review of an appropriate benefit level for full indexing must, of course, begin with a realistic assessment of the amount of money that will become available from the earmarked sources defined in the bill. Once this assessment is made, some account must also be taken of the fact that employer pension plans are not designed and looked upon, primarily, as instruments for redistributing income among individuals. Many Canadians, I think, regard employer pension and savings plans as being generally similar in their objectives, and so consider that the benefits provided by employer pension plans should bear a recognizable relationship to the contributions, financial and otherwise, that individuals make to these plans and their sponsoring employers.

This notion of pensions being a return on the contributory savings of employees and pensioners is, of course, being reinforced by Bill C-12. In summary, I feel that the triennial supplementation arrangements that are authorized for public service pensioners must reflect a humane understanding of the situation faced by low income pensioners. At the same time, I think it must be recognized that there are limits on the degree to which supplementation payments can be divorced from the pension savings of individuals, and the earnings realized on their pensions savings or contributions.

I presented to the House earlier this month the proposed supplementation arrangements that would have been put in place if, in fact, this particular bill had received royal proclamation prior to the end of last year. Hon. members will recall that $7,000 would have been the proposed point for division. There would be full indexation up to earnings of $7,000, and above that the figure proposed was 8 per cent in 1979, 7 per cent in 1980, and 6 per cent in 1981.

Mr. Baker (Grenville-Carleton): Does that move back a year now?

Mr. Buchanan: Mr. Speaker, the hon. member asks if that now moves back a year. It moves back a year in the sense that the triennial period will be 1980, 1981 and 1982. I believe I touch on this matter a little further down, but we think that the arrangements which can be made for pensioners could possibly be a little better at that time. My personal inclination is to look first at the report we receive from the government's

chief actuary in the latter part of this year. The thought is that we may be able to move it up from $7,000 to $7,500 or perhaps $8,000. However, we will not be able to determine that until later this year.

Bill C-12 indirectly also requires that the triennial reviews and establishment of pension supplementation arrangements be carried with an eye to the future. This need arises from the requirement that any surplus or deficit realized with respect to any three-year period must be carried forward to the next three-year period. Consequently, triennial arrangements that are overly optimistic in one period could produce relatively restrictive arrangements and disappointment for pensioners in the future periods because the bottom line provision of Bill C-12 is that pensioners, not taxpayers, must meet any pension supplementation deficits.

Mr. Knowles (Winnipeg North Centre): What about the reverse?

Mr. Buchanan: Mr. Speaker, the hon. member asks what about the reverse. There could not be a reverse. This fund is earmarked for pensioners. In other words, is the hon. member asking if we would go above full cost?

Mr. Knowles (Winnipeg North Centre): Suppose that the calculations were too pessimistic.

Mr. Buchanan: I don't think that would happen. It might be that one could change the arrangement in mid-stream, but the fund is earmarked and is, in effect, the property of retired pensioners. If they did not receive as much in one period, then they would receive a larger amount in succeeding periods. It is their fund, in the sense that it is earmarked for this special purpose. It is clearly identifiable and, therefore, if there is an inadequate amount paid out in one period, then we would have the option to make changes during that period or, certainly, the funds which had not been dispersed would remain in the fund and be available for future supplementation.

In practical terms, this means that to achieve fairness in treatment between current and future pensioners, it will be necessary that three-year reviews of supplementation revenues and benefits avoid optimistic and pessimistic extremes.

Taking all these factors into account, I am confident that when the review is carried out in the second half of this year of the revenues that will become available over the next three years from the pensioners' share of extra interest earnings and the special contributions that have been made by and for pensioners to the indexing account, it will be possible to establish an arrangement whereby the first $7,000 of annual public service pension, disability and survivor benefits, could be fully indexed in 1980, 1981 and 1982. If this were done, it would mean that over 95 per cent of recipients of disability and survivor benefits would have their pensions fully indexed. In addition, I am confident that the supplementation revenue picture will be such that it will still be possible to provide higher income pensioners with a reasonable return on their contributions to the program.

Much of my confidence in this regard, Mr. Speaker, is based on the healthy growth in interest earnings being achieved by the public service pension accounts, and the clear evidence that this growth will continue into the foreseeable future. Also it is based on the forecasts being made by reputable financial institutions for a moderation in inflationary pressures over the coming year. We believe that the meld of these two factors should allow us, as I mentioned a moment ago, to present a more attractive picture at the end of this year for the following three-year period. The actual amounts of supplementation authorized for 1980 to 1982 cannot, of course, be determined until the forecasts of revenues available for the supplements are received this fall from the government actuary.

Finally, Mr. Speaker, I would like to say a few words about the remaining portions of the bill. These portions of the bill directly affect less than 1 per cent of public servants, with the vast majority of them being air traffic controllers. The proposals contained in the bill to establish special pension provisions for air traffic controllers are designed to ensure the continued maintenance of high safety standards for air travel in Canada, and to provide income protection for air traffic controllers who may be detrimentally affected by the application of these standards.

● (2040)

These provisions are the product of an agreement which was reached with the air traffic controllers' union in 1976 to deal with the situation of air traffic controllers who failed the rigid examinations they must regularly take to retain their licences as air traffic controllers. The program agreed to with the controllers encompasses the provision of special training to prepare controllers for other work, the partial drawing down of pension benefits and, as a last resort, the payment of early retirement pensions earned by air traffic controllers who are compulsorily retired after a minimum of ten years' service in an air traffic control tower. In addition, the bill would allow air traffic controllers to draw unreduced pensions upon voluntary early retirement if they are at least 50 years of age and have a minimum of 25 years' service in an aircraft control tower.

I want to stress that all of the service requirements for these special pension provisions for air traffic controllers involve service in an air traffic control tower. In other words, if a 50 year old air traffic controller had 27 years of service in the public service but only 20 years' service in an air traffic control tower, he would not qualify for an immediate unreduced pension upon voluntary retirement. I also want to add that in return for these special pension features, air traffic controllers will be required to make an extra 2 per cent pension contribution, and this extra contribution will be matched by the government as employer.

The bill also contains a provision which would allow the government to follow the private sector practice of amortizing unfunded actuarial liabilities over a 15-year period instead of over a five-year period in the event the chief actuary should alter his economic assumptions or the actuarial method by

which he carries out his evaluations of public service superannuation accounts.

The remaining provisions of the bill are directed at overcoming administrative difficulties and correcting benefit anomalies in various pension statutes which in total involve less than 50 individuals.

I would like to conclude by reminding hon. members, as my predecessor did on March 9 of last year, that the introduction of this bill does not represent a finalization of the government's review of public service pension arrangements. The scrutiny of these arrangements will continue, with future analyses and decisions taking account of the actuarial valuation of the program which is now being carried out by the department of insurance, the total compensation analyses which are being carried out by the Treasury Board secretariat, and the results of the government's review of the retirement income situation facing all Canadians.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, in his speech the minister referred to the National Citizens' Coalition. All I can say is that because of the government's indecision and hiding of facts we have been lambasted, at least since 1976, because it was as a result of the government's lack of initiative in putting the true facts before the Canadian people that groups such as that coalition, in my view, have no understanding as to what is going on and take an irresponsible approach to a very sensitive subject.

We on this side realize that this matter is not as simple as the minister makes it out to be. There are a number of questions which have to be asked. I know that the hon. member for Winnipeg South Centre (Mr. McKenzie) has had questions on the order paper since October 17, 1978, dealing with the actuarial niceties of Bill C-12, and they are unanswered as of this date. I do not think that is fair.

The hon. member for York-Scarborough (Mr. McCrossan) is an actuary, and he is extremely interested in this bill. He has had questions on the order paper since November 9, 1978, because he wants to know what is going on with regard to the actuarial soundness of this plan and its costing.

There is confusion. The minister tabled a document—I believe it was some time in November—and on the last page of that document there is scenario "E" which shows that if inflation were to continue to the end of 1980 at a level slightly above the experience of the past year, there would be a shortfall of the order of $30 million.

A member of the government party, for whom I have a great deal of respect, has been sending out newsletters. I can understand his concern because he represents a number of public servants. For that reason he obviously must take an even greater interest in this than I would.

I would like to quote from a recent postscript in the Ottawa *Journal* of February 7, 1979. I want to put this on the record because the hon. member for Ottawa West (Mr. Francis) believes there are billions around and that there is no need for this bill. This matter is not as simple as the President of the Treasury Board (Mr. Buchanan) indicates. I appreciate the words the minister used. He says there will be a humane approach and that after study and if possible, the limit for people in the $7,000 bracket will be raised to $7,500 or even $8,000. That is all very good, but I want to put on the record what is causing all the confusion around here. I want to read from the Ottawa *Journal* for February 7. Under the headline "Fund Flush or Folding?" we find the following:

> It is difficult to figure just what kind of shape the public service pension fund is in. But maybe some of the answers will surface this week when a bill comes up in the House for second reading. Until then, it's anyone's guess whether the fund is embarrassingly flush or nearing the bottom of the barrel.
>
> In a document tabled in the House last week, treasury board president Judd Buchanan warned that the public service pension fund would be between $4 million and $30 million in the red within the next three years if a limit was not put on cost of living increases. That's a pretty scary prediction and one not universally accepted.

With all due respect, I know the interests of the hon. member, and we are going to have to get to the bottom of this. The article goes on:

> For example, in his January report to voters Liberal MP Lloyd Francis tells his constituents: "There is a serious question about the fund itself being over-funded and within a very short time the Government of Canada is going to be embarrassed by the amount of money in the fund."
>
> Francis says there is more than $9 billion in the superannuation account at the moment. He suggests that if no changes are made in the pension plan and factors such as inflation and wages increase at the rates predicted, the fund could reach more than $40 billion by 1990 and more than $1 trillion 200 billion by the year 2025.
>
> Granted, figures can be used to prove any argument, but the difference between Buchanan's and Francis' calculations is incredibly puzzling. The answer may be revealed in the House this week and it should prove quite interesting.

Well, we have not received the answer from the President of the Treasury Board. We will have to go to the committee to get all the answers, and I can tell the minister that I will be asking him many questions. I will be asking those which have already been asked in the two questions put down by the hon. member for Winnipeg South Centre and by the hon. member for York-Scarborough. Many of us will be asking questions because the minister has not given us any information whatsoever as to the soundness of the plan, what it is costing, where the money is coming from, or whether he disagrees with his colleague, the hon. member for Ottawa West. We will get to that.

● (2050)

The Auditor General has been involved with a three-pronged thrust; as he puts it, the economy, efficiency, and effectiveness. He is including as well value for money, waste, and management. He is very concerned about financial management and control. At this time we must determine what happened in the past. But we have to determine what we intend to do for the future and what it is going to cost.

It seems to me that the President of the Treasury Board has accepted the thrust of the Auditor General and accordingly has now picked—and I have another word that I will use later—on the public service. What was the scenario as far as members of this House and public servants were concerned? There was a scenario prior to the speculation of the last election. Do you recall when the code of ethics was brought in

Mr. Speaker? Canadians were concerned about how public servants act. The vast majority are doing a tremendous job, at some sacrifice and inconvenience. But the public pressure, through organizations something like the coalition, had the government running scared. It was going to go to the people, so the government said: "We will tell them how to operate." Then, what was the next thing? The government brought in Bill C-12. That was months ago. The statement of the then president of the treasury board was back on March 9. Then came Bill C-28, which is now known as Bill C-22, that monstrosity which it could not bring forward because the government knew that it had concerned the opposition and the public service. Therefore it had to be changed. The government changed it in significant ways, but there is still some concern about that bill. The government was attempting to show strength before an election. But what it was doing, Mr. Speaker, was simply public service bashing. That is all there is to it.

We on this side of the House reject public service bashing and it being made a scapegoat for government incompetence and mismanagement.

Some hon. Members: Hear, hear!

Mr. Buchanan: And fire 60,000 of them.

Mr. Alexander: There he goes again. The minister says that we are going to fire them. We have never at any time used the word fire. This is the usual Liberal nonsense propaganda. We talk about attrition, and Bryce Mackasey tried to use public service firings as a platform here in Ottawa and lost the by-election. People in Canada do not buy that nonsense. You are the ones who are fired—

An hon. Member: Fired into flight.

Mr. Alexander: Time is getting short and I will continue with my remarks. I wish the President of the Treasury Board would sit still and shut his mouth, as I did when he was speaking, so that I can get on with my few words because I have not yet started.

I want to let the President of Treasury Board know what our objectives are. These may sound like clichés. There is something wrong when we find out about the antagonism that exists between this government and the public service, and between the government and the trade union movement in particular.

Our objectives are to gain mutual respect, to consult, and to co-operate, to treat as a partner and not as an enemy, to develop and maintain good will and to maintain good faith. Those are basic principles which this party puts before the House, the people of Canada, and the public service.

What does the public service say when it talks about good faith? I want to read from a brief that was submitted to the miscellaneous estimates committee by the Professional Institute of the Public Service of Canada dated November 18, 1978. This gives some indication why the public service does not trust this government. I cannot think why anyone in this country would trust this government. At page 13 it says:

Pensions

The Institute feels that it cannot avoid expressing its concern and disappointment that a tacit agreement reached during discussions that took place within the forum of the Preparatory Committee on Collective Bargaining during 1963 to 1965, has been breached. There was no formal written agreement, and no formal record made, but a clear understanding was reached that, in return for the loss of the right by employees in the Public Service to negotiate any matters relating to superannuation under the Public Service Superannuation Act (the Supplementary Retirement Benefits Act did not then exist), the government undertook not to make any unilateral amendments to the superannuation benefits. Clearly, if the SRBA had existed at that time, the understanding and agreement would have embraced it.

What we are talking about here, and what PIPS is talking about, is a breach of faith. That is why they have no trust in the government in terms of its initiative and its thrust. I feel sorry for the President of the Treasury Board because he has just recently been handed this portfolio and he will have to prove himself. He has not proved himself yet to me, but I am patient, and I know with proper coaching and with the staff that he has he will come up with what I can perhaps call a credible performance as President of the Treasury Board.

I want to read from a communique put out by the Professional Institute of the Public Service of Canada. There are some statements in here which I want to place before hon. members in order to let them know what the public service was thinking about, particularly the Professional Institute, which I believe speaks on behalf of all public servants because they all have vested interests in this bill. I am reading from a document dated March 3, 1978, entitled "Communications" published by the Professional Institute of the Public Service of Canada. It says:

Members should differentiate between the various opinions or comments being made by public figures, and any notice of intention to amend the acts by means of bills to come before the House of Commons. The one is part of the continuing debate, whereas the other constitutes warning of an impending change.

The impending change has to do with the indexation part. It goes on to say:

There are several pension studies in progress now, some federal and some provincial, relating to the over-all subject of pensions in Canada, with particular reference to comparisons between public service and private sector pensions, and including the Canada Pension Plan. The public service pension plan is a part of this over-all debate, and the subject is complex, not only in terms of the above noted comparison, but also in terms of what pension benefits should exist for Canadian citizens as a basic expectation. It is likely, therefore, that there will be continued considerable coverage of this subject in the news media, with many opinions being expressed. It is not likely that the subject will be resolved within a short time, even in respect of the public service pension plans alone, since this is only a portion of the much broader debate going on.

I kept rereading that particular paragraph. I was wondering whether we are even in a position to deal with Bill C-12 because the whole topic of pensions, within the public service and without, is under continual discussion, without any conclusions having been reached at all. What is important though is a question that was asked in this same document. It reads as follows:

A part of these discussions lies in settling the basic question of whether private sector pensions should be upgraded, essentially to give broad comparability with public service pensions, or whether public service pensions should be downgraded to give broad comparability with private sector pensions.

As I said before, and I have no hesitation or any equivocation whatsoever, this government—and I notice Mr. Speaker is nodding his head in the affirmative—has gone about bashing

the public service. I asked a question of the then president of the treasury board on January 30, 1978. I asked whether it would be on an ad hoc basis or in what form they would bring it in light of the Tomenson-Alexander study. I read the reply from the then president of the treasury board:

● (2100)

Our position will require a great deal of analysis and thought. We have a commitment to consult with the bargaining agents and the advisory committee on public service pensions.

I do not know whether that consultation took place. In order for us to determine whether that commitment was met to consult further, if indeed there was any, we will ask for witnesses. I have a pretty long list here. The government is not going to bamboozle us with this bill as it did in 1973 and 1974.

We want to hear from the Public Service Alliance of Canada, the Professional Institute of Public Servants, the Association of Air Traffic Controllers, Canadian Forces Long Service Pension Association, the chief actuary, a representative from Tomenson-Alexander, management consultants, representatives or spokesmen from the RCMP, the Canadian Labour Congress, the Canadian Life Insurance Association and the Business Council on National Issues. Under that I believe is a Mr. Sydney Jackson, now the president of the Manufacturers Life Association, formerly president of the Canadian Life Insurance Association.

We want to hear from the Canadian Manufacturers' Association and the National Citizens' Coalition. That is one we must have. In fact, they should be first. My whip says bring in Brown. I do not know whether he will come or not. I hope he will. The propaganda being spread around this country is intolerable. I do not have any preference as to who is first or last. We are not only asking but demanding that these witnesses be called, as well as the Canadian Federation of Independent Businesses. I would like to hear as well from the advisory committee on public service pensions and from a couple of other gentlemen for whom I have a great deal of respect.

I would like to hear from Mr. Leslie Barnes, who has written some excellent articles on this very serious issue. In my view, he has a lot of credibility and expertise. I would not mind hearing from Ed Finn, another person with a certain amount of expertise. That is the time schedule.

At a time when my House leader was absent from the House, I asked the government House leader what was happening with Bill C-12. I forget when it was I asked him. However, he stated that he wanted it before Christmas. I said there was no way he would get it before Christmas. I think I asked him that in October or early November. I gave him some indication as to the witnesses we wanted to hear. That is why the bill was not brought forward. The government knew that we were going to probe. We had the questions, we wanted the answers, and they were not prepared to go through that oratory.

An hon. Member: Ha, ha!

[Mr. Alexander.]

Mr. Alexander: I hear the ha, ha! All I know is the bill was not introduced and the government did not get it before Christmas. I do not know whether it will get it before April. With all due respect to the President of the Treasury Board, he has not told us a doggone thing. The questions we have are exemplified by those on the order paper. I hope the President of the Treasury Board realizes we have a lot of work to do before we even start on clause 1.

We have come a long way from the days when pensions first appeared and were viewed as a reward for long and faithful service. Pensions are no longer a reward but a form of deferred compensation. They are no longer a privilege but a right.

I am glad the minister has indicated that he appreciates the fact that those in the $7,000 and $8,000 bracket make up 95 per cent of those about whom we are talking. We are talking of those at the bottom of the economic ladder.

One of the major problems that currently exists is the remarkably uneven nature of the changes that have occurred. Some persons must rely on CPP, OAS or QPP. Others have additional pensions. Some even have indexed pensions. This unevenness has created the current pension debate.

Accordingly, we should also direct our attention to the 60 per cent of the labour force that does not belong to any private pension plan and must rely on CPP, OAS and so on, and those who make private pension plan contributions but collect no benefits as a result of the problems of portability and so on. We must, as well, be concerned about mechanisms to allow the private sector to offer indexed pensions more easily. Therefore, that must be investigated. That is why I listed the many witnesses who would be able to give us that expertise.

What disturbs me is why we are having this debate now. I remember the Prime Minister (Mr. Trudeau) going around this country and walking in and out of this House of Commons talking about how inflation had been licked, how it had been wrestled to the ground. Neither became a reality. We have inflation of about 8.5 per cent. I understand it is going to get worse. Even the Minister of Finance (Mr. Chrétien) does not know what it will be. He has upped his November figure from 6.5 to 7.5 per cent. He does not know what is going on.

When government ministers brought in wage and price controls, or whatever they called it, their incomes policy, they told the Canadian people it would be down to 4 per cent by 1978. If they had done their job in terms of cutting government spending, we may have been closer to that figure. If they had stopped printing money, we would have been closer. However, they did not do that. They kept on printing money and spending. Not only that, but they continued to waste money. I need only refer to the Auditor General's condemnation regarding the government's management of fiscal and monetary policy. Therefore, inflation just took off.

We are nowhere near 4 per cent, and all economic indicators point to the situation getting tougher. Even the Minister of Finance and the governor of the Bank of Canada have implied that, although the minister likes to say that the situation looks great. He knows it is not great. We have 1,250,000 people out

of work, and he is trying to con me? I have been around too long.

Some hon. Members: Hear, hear!

Mr. Alexander: A lot of Canadians just do not accept that nonsense. As a result of not reaching that 4 per cent which was guaranteed by the government, they have had to ask Canadians to trust them. They do this even though they flip-flop. They deceived the Canadian people during the 1974 election. At that time they said wage and price controls would not work. They said they did not work in Great Britain and in the United States and, under no circumstances, would they freeze wages.

People therefore became concerned about the form, extent, and cost of indexing in the public sector. Because of government incompetence and mismanagement, the alleged uneveness and inequity became more worrisome, bothersome, and frustrating.

It is necessary to go into the history of indexed pensions in order that we be better advised as to the background and what must be done for the future. Before 1970, the pension benefits of retired public servants in Canada were adjusted on an ad hoc basis. The persistent and relatively high levels of inflation in the late sixties led the federal government to review its policy. An advisory committee on the Public Service Superannuation Act examined various proposals for a special contributory plan and concluded that such a plan, financed by equal contributions of the government's employees, was feasible. The objective of the plan was to finance the cost of partially protecting the value of the government sponsored retirement and other benefits to the public service on a continuing basis.

● (2110)

An act to provide supplementary retirement benefits to certain persons in receipt of pensions from the Consolidated Revenue Fund was adopted in 1970. It provided that, commencing in the month of April, 1970, a supplementary retirement benefit would be paid to every recipient of pension, the amount of benefit to be calculated by means of a particular formula. The maximum supplementary benefit payable to public servants was tied to the indexation of the Canada Pension Plan as it read on January 1, 1970.

The benefit index of the supplementary pension plan was connected to the pension index of the Canada Pension Plan. The latter act defined the pension index as the average of the consumer price index for Canada as published by the Dominion Bureau of Statistics, as it then was, under the authority of the Statistics of Canada Act, for each month in a 12-month period ending June 30 in the preceding year or 1.02 times the pension index of the preceding year, whichever was less. In this way supplementary pension benefits of public servants were partially indexed to the cost of living, but only partially because the maximum supplementary benefit was limited to 2 per cent of the basic pension of the preceding year. The supplementary retirement benefit for public servants would be financed equally by the government and by the employee, each contributing half a per cent of gross salary to a special fund out of which payment would be made.

The 2 per cent limit to pension increases was eliminated by the Statute Law Supplementary Retirement Benefits Amendment Act, 1973, and the amendment substituted a new definition for pension index. I will quote it:

> Pension index with respect to any year means the average for that year of the consumer price index for Canada as published by Statistics Canada for each month of the 12-month period ending on the 30th day of September in the immediately preceding year.

Accordingly, any increase in the consumer price index would be fully reflected in escalation of benefits under the Supplementary Retirement Benefits Act. I think it is important that this should be put on record.

Introducing the amendment to the House at the time, the Hon. C. M. Drury noted that the government had agreed to assume the cost of all escalation for all those who had retired before 1970 and, the balance of the cost of the escalation of pensions of persons retired since 1969, which had not been covered by matching contributions made by those persons and by the government in respect to them. Aside from this, the government intended to adhere to the principle of equal employer/employee contributions. Initially, this would increase the cost to both of providing the supplementary benefits from one half of 1 per cent to 1 per cent of gross salary, with a strong likelihood of future increases. As a matter of fact, the position of the government of the day at that time was, and I quote:

> In the long run the contribution of half of one per cent together with the government's matching contribution would almost certainly be insufficient to cover the cost of escalation for employees entering the public service with an average working life of 30 years in the service ahead of them. There is an assumption that it would be necessary to increase the contribution made in the very near future if, such an employee is to pay half the cost of his pension escalation after retirement. The assumption is that it would not be necessary to do so for a few years. The government is proposing to adopt a phased approach under which the present rate of contribution is to be raised by half of one per cent each effective January 1, 1977. What further increases might be required in later years will be determined by future parliaments.

I want to pause here to say that a public servant, a top level public servant with a high rank in the armed forces, called me to ask why, if it was thought the program was in trouble, the government had not asked the employees to pay a further one half per cent. I said I did not know. A moment ago I heard the hon. member for Ottawa West say it was not needed. I am simply throwing out the question. Why all this rigmarole? Why all the complexity? Why this frustration and uncertainty? At that time the basic reaction of the opposition to the legislation was that it was long overdue and not enough.

Rather than question a provision which was generally unavailable in private enterprise, a number of opposition members advocated indexing public service pensions to a wages and salaries index, or to an index based on the gross national product, much more expensive options than indexation to the consumer price index. I was here. Many members now in this Chamber were here. Most of us were here. But we really didn't know what was going on. We were conned in 1974 but we are not going to be conned again. I am not saying the minister has

conned us. I am saying that what happened in 1974 led us to an impulsive conclusion. So we are now at the stage of full indexing.

It is no secret that the present provision of indexed pensions has, in recent years, come under increasing criticism from the general public and, of course, the public service is concerned about the attitude which the general public has expressed. Accordingly, Mr. Speaker, we must get at the truth. Rightly or wrongly, the public perception is that the Public Service Superannuation Act in conjunction with the Supplementary Retirement Benefits Act provides public servants with pensions which are among the best in the country. Essentially only large financial institutions are providing similar initial benefit levels. Exceptions exist at lower earnings levels for the very large industrial organizations.

Furthermore, on January 1 each year public service pensions are increased by the change in the consumer price index. Only about .6 per cent of workers in the private sector have pensions that are comparable. The increase on January 1, 1978, was 7.2 per cent. I am not too sure what it was on January 1, 1979, but we must always remember, Mr. Speaker, that there is a contribution by the public servant of 6.5 per cent of salary as a basic pension and one per cent for indexation, with matching done by the government.

At this point, Mr. Speaker, I would like to indicate just how pleased we were to hear what the minister had to say. I want to quote him again. He indicated what would have happened had Bill C-12 come into effect when they thought it would come into effect on January 1. I will read this out as a result of my House leader asking that extremely important question. This is what the minister indicated:

> Basically our intent was to give full indexation for all pensionable incomes under $7,000, which I think amounts to something around 75 per cent or 80 per cent. Regarding amounts above $7,000, during the year 1979 we intend to index those at 8 per cent, in 1980 at 7 per cent and in 1981 at 6 per cent. I should point out, as hon. members will see when they look at the report from the chief actuary, that this was based on an inflation assumption of 8.8 per cent when in fact it turned out to be 8.4 per cent, so we are better off than we thought we would be. With a little good luck this provision hopefully will be even more generous for the years 1980, 1981 and 1982.

We now know that the ad hoc arrangement will not take effect until January 1, 1980. This does make a difference and we welcome that, but I do not think the minister had any choice. And I still have to think about the April 1 deadline which the minister wants to introduce. As well, there will be provisions he wants to bring in by proclamation. He is going to have to show us, though, why he did not go all the way with it and whether there are savings because in truth, Mr. Speaker, I do not trust the figures that this government throws out. Most of them come from the Minister of Finance and his department, and he's been wrong ever since I've been here with respect to growth, with respect to unemployment, with respect to inflation. We need, for example, other people to tell us what the inflation rate will be. We need other people to make guesses with respect to the wage rate and the interest rate. All of these things will have a bearing on this bill.

[Mr. Alexander.]

One of the major criticisms levelled against the indexing of public service pensions is that the current contribution rate—one per cent of salary by the employee and a matching contribution by the employer—is not sufficient to cover the cost of indexing when inflation rates run as high as they have in recent years. This is the issue.

A second major criticism of public service pensions relates to early retirement. Under the present system a person can retire with a fully indexed pension if years of age plus service equal 85. This system encourages those eligible to retire at the age of 55. Many of them have taken this option and have subsequently taken jobs with private industry, perhaps even as consultants selling their services to the government.

A third major criticism concerns a loophole in the existing legislation which allows a person who retires in December to collect a full year's indexing the following January.

● (2120)

This is what makes me so angry with the government. The Treasury Board initially reacted to the criticism of public service pensions by publishing in October, 1976, a brief about the basic facts on pensions in the public service in Canada. In this brief they attempted to prove that in the long run the Supplementary Retirement Benefits Act would be sound. I want to quote from that document because some aspects of it have been forgotten. It is dated October 18, 1976, and is entitled "Basic Facts about Pensions in the Public Service of Canada". This is what is stated at the bottom of page 14:

> In other words, employer pension costs for the federal public service are expected to be reasonably stable, as long as the relationships observed in the past between rates of inflation, interest and salary increase remain substantially the same. Even with continuing inflation at 8 per cent—an improbable hypothesis—financial requirements for the public service pension plan would not diverge significantly from past experience if the normal long-term relationship between wages, interest and inflation were to be maintained.

On page 15 they give a couple of conclusions as follows:

> The public service pension plan is financially sound. All basic pension payments—about 80 per cent of the total outlays recently—are financed on what actuaries call a fully funded basis, through employee and employer contributions. The remainder of outlays—indexation payments—are partially funded with the funded elements expected to increase gradually over the years.

Item number 6 on the same page reads:

> New liabilities arising from the indexation of public servants' pensions are unlikely to increase the total pension costs of the government as a proportion of payroll. For one thing, the level of employee contributions to the indexation account is rising, and the average period of contribution is lengthening; for another, the basic features of the public service pension plan have been fairly stable, so that extra interest earnings might well be sufficient, in the 1980s, to meet actuarial deficiencies for basic pensions.

Perhaps that is what the hon. member for Ottawa West was talking about. But that was back in 1976. It was true then. That was the gospel, the bible. Now it is no longer the bible. That is why I say that I cannot trust this government.

On March 9, 1978, the Tomenson-Alexander report was tabled which points out that if the public service pension plan, including indexing, were placed on a fully funded basis, the plan, in addition to employee contributions, would require continuing government-employer contributions of 15.3 per

cent of the payroll for current service and would face an initial unfunded actuarial liability of $5.9 billion for past service, most of which arises from the Supplementary Retirement Benefits Act.

We will have to find out whether that is true. I will not just accept that. They will have to tell us how they arrived at that conclusion, why they arrived at it and what are the solutions. The report further indicated that if the unfunded liability were amortized over 15 years, an additional employer contribution of 19.1 per cent of pay would have been required in 1976, decreasing to 5.2 per cent in 1990, and to zero thereafter.

Besides the funding problems, Tomenson-Alexander also compared the public service plan with the private sector and found that while 80 per cent of plans in the private sector have provided some post-retirement adjustments, averaging 66 per cent of the change in the CPI, only 5.8 per cent are covered by formal plan provisions, and only 0.6 per cent by full indexing provisions. The average annual employer contribution per employee in the private sector in 1975 was $676 compared to $1,020 under the PSSA and SRBA for the same period. Under full funding, the employer contribution under the PSSA and SRBA would be approximately $4,350 per participant. Further, they indicated that most private sector companies will be unwilling to grant open-ended indexing and will not want skilled employees to retire at age 55 as is possible in the federal public service.

On the other hand, Mr. Speaker, let me read from *Hansard* of March 9, 1978, at page 3634. As reported in *Hansard*, a question was raised with respect to the private sector. Now that we are dealing with the public sector, we should be concerned as well about the private sector. A Liberal member of parliament asked the then president of the Treasury Board the following question:

> Does he have anything to say at this time about this other great concern with respect to indexed pensions, namely, the exemplary effect they might have on the private sector?

The then president of the treasury board indicated:

> I say quite candidly that they will have difficulties. It is one thing to say it is fair and just and should be done, but there is the other reality of the availability of funds and the method of paying for it. I cannot indicate to the hon. member yet what the findings of the Department of Finance and the Department of National Health and Welfare are, except that I hope they will be available very soon and will give some stimulation to the private sector.

It seems to me that the private sector cannot meet the standards set by this bill even at this time. I indicated earlier that the provinces are studying this problem, the federal government is studying it, and the Department of Finance is studying it. Everybody is studying the problem but no one has the answer. We still need mechanisms for the private sector. Where are the reports from the Minister of Finance and from the Department of National Health and Welfare?

In any event, the then president of the treasury board responded on March 9 by stating that the government would introduce legislation to amend the Supplementary Retirement Benefits Act. The purpose of the amendment would be to place a curb on some undesirable practices that have crept into the program, to close off some loopholes in the program, and to fortify the financial liability of the program against unexpected financial setbacks that could conceivably arise in the relatively distant future.

The government had also introduced legislation in the last session, a bill to deal with total compensation comparability, Bill C-28. I think that is all tied in together, and of course we must know what we are talking about when we talk about total compensation comparability because pensions and indexation of pensions are part and parcel of that.

I think it is necessary to summarize the contents of the bill. The major provisions of the bill are as follows. Pension indexing would no longer be automatically tied to the consumer price index but would be determined three years at a time on an ad hoc basis. If sufficient funds are not available for full CPI indexing, the pension increase would be based on the amount credited to the fund, based on employer and employee contributions as well as interest earnings. Over the next five years, indexing would be progressively deferred so that by 1983—I do not know what the date would be now—public service pensions would not be indexed until age 60, rather than at age 55 as is presently the case if the public servant has 30 years of service. A pensioner's first indexing adjustment would be prorated to the month of retirement, rather than paying the full adjustment in January, regardless of what month retirement occurs as is presently the case.

The proposed legislation would also establish the special pension program agreed to in 1976 by the government for air traffic controllers in operational or tower service, bringing them increased pension benefits. An additional 2 per cent of salary would be contributed by controllers and matched by the employer to pay for these benefits. The bill, which contains a number of technical amendments, also proposes that the government be permitted, as in the private sector, to amortize unfunded pension liabilities, in some instances over a 15-year period, instead of requiring that all unfunded public service pension liabilities be amortized over five years.

We have been waiting for 11 months for the government to present its detailed proposals on indexed pensions flowing out of the general principles and policies laid out last March 9 by the then president of the treasury board. During the debate which took place last March, I indicated on behalf of my party that we agreed with the government's intention to endorse a form of indexing if it was actuarially sound. That has always been the position of the Progressive Conservative party and still is our position. As a matter of fact, on May 4, Mr. C. L. Lockhart, president of the Professional Institute of the Public Service of Canada, was advised in writing as follows:

> My party is committed to the principle of maintaining the purchasing power of pensions. We have been concerned that people on fixed incomes, particularly those living on small pensions, can least afford to be caught by inflation, for which they are not responsible.

The letter stated further:

> However, protection against inflation must be achieved in a way that guaranteed an actuarially sound pension plan. The pension plan must be made to meet all future commitments to those who have made contributions and recognize the legitimate concerns of taxpayers.

But, even more important, the letter went on to say:

When specific legislation is introduced, my colleagues and I will work to ensure that there is full consultation with the public service on specific proposals.

The above views are those of my leader and are accepted by the members of the Progressive Conservative party. In my view, Mr. Speaker, there is no doubt about the position of my leader and my party with respect to the principle of indexation. However, I went on to say in my March speech that while the Progressive Conservative party supports the government's broad intentions, support for its specific proposals will have to await the tabling of the bill itself. Of course the bill cannot spell out all of the day to day details on how these principles and policies will operate in individual and special situations. This is extremely important, and the minister just touched on it. The bill cannot ensure that the changeover to the new rules will be carried out in a smooth and equitable manner.

● (2130)

There will be other hon. members of my party who will address themselves to a specific concern regarding the armed forces and the RCMP. It will be necessary for my party to lay out in some detail the background information which parliament requires in order to arrive at an informed decision on the proposals contained in Bill C-12 in terms of costing and financial implications. Of course this will be done. Further, we will have something to say on the proposals related to air traffic controllers. We accept the thrust and direction, but the hearing of witnesses is important to determine if the government's provisionary ad hoc approach is feasible, just, and sound.

Let me say at the outset that my party wants to see all of the relevant facts and figures brought out in the open. When full indexing was established in 1974, clearly parliament was not provided with sufficient information. If it had been, we would not be back here this evening altering the formula which was put in place approximately five years ago. We do not believe it is right that a person's pension, which he believes he is paying for with every pay cheque, should be forever dependent upon the whim of future public and government opinion.

Parliament and the public service have a right to know, before the bill is passed, just how much indexing can be provided in the future, not just three years in the future, but 15, 20 and even 30 years in the future, when the bulk of public servants working today will be reaching retirement age. The government's calculations and assumptions should be a matter of public record before the bill is passed, so that public servants will know with some certainty to what extent their pensions will reflect changes in the CPI when they retire.

In his speech on March 9, the then president of the treasury board referred to the proposed changes by stating they:

—are designed to firm up the financial undertakings of the program to ensure that we are not stirring up future trouble for taxpayers and public service pensioners.

Indeed this bill must achieve that goal. The minister must make public the actuarial calculations which lead to that conclusion. It is inconceivable that the government would introduce legislation, or that the House would be asked to approve legislation, without some idea of what will happen in the future. The type of information parliament requires will be spelled out more clearly by the hon. member for York-Scarborough, who is an actuary. He knows a lot about this bill and what it means to have something actuarially sound. I hope the minister or his officials do not expect to con or bamboozle members on this side. We have a top flight man who understands figures and how they can be manipulated, the hon. member for York-Scarborough.

Mr. Buchanan: You are the first speaker.

Mr. Alexander: Yes, I am the first speaker. That is my right. The minister's speech was written by his officials. He did a very good job in that regard. I wrote my own speech. I want to put the position of my party on the table. I want the minister to know that I am not finished yet, and that a lot of questions require answers.

Some hon. Members: Hear, hear!

Mr. Alexander: All Canadians, including our public service, are tired of government flim-flam. They want honest, fiscally responsible approaches to these problems.

On March 9 the minister stated in his speech that he wished to "place a curb on some undesirable practices that have crept into the program." This has led to two amendments in Bill C-12. In order to reduce the number of public servants who leave the public service early but do not leave the labour market—in fact many continue to sell their services to the government on a contract basis—the government proposes to defer the indexing of public service pensions to age 60. A public servant could still retire at age 55 if he has 30 years of service, but he would not receive a cost of living adjustment until age 60. The proposal would be phased in over five years. The Progressive Conservative party supports the proposal to close this loophole, but we will raise certain questions in committee concerning situations where retirement is not of a voluntary nature or involves stress or risk of some sort.

In order to close a loophole which allows public servants retiring in December to receive a full 12-month cost of living adjustment the following January, the government proposes to pro rate the first adjustment to the month in which retirement occurs and thus reflect the portion of the year during which they were retired. The Progressive Conservative party supports this proposal.

Also, the minister spoke about the desire to fortify the financial viability of the program against unexpected financial setbacks which could arise conceivably in the relatively distant future. While the Progressive Conservative party supports this principle, it is the government's detailed proposals in this regard which lead to the most questions. Under the government proposal, indexing would no longer be tied automatically to the CPI, but would be determined three years at a time on an ad hoc basis. If sufficient funds are not available for full CPI indexing, the pension increase would be based on the amount credited to the fund, employer and employee contribu-

tions, as well as interest earnings. I am pleased to say that the first ad hoc arrangement would commence in the year 1980. The Progressive Conservative party is interested in the principle, but we are left with a large number of unanswered questions.

The Tomenson-Alexander report on indexed pensions tabled last March by the former minister recommended that an actuarial costing be undertaken and published before any major changes in the pension program are legislated. To my knowledge the minister has not given this information. Also, the report recommended that while the chief actuary might undertake the study, it should be reviewed by an independent group of three actuaries. We demand that the government provide parliament with this basic information, if it has not done so already.

On March 9 the then minister spoke of a desire to eliminate undesirable financial setbacks in the future. This is our concern also. We do not want to be back here in five years, or even 15 or 20 years, being asked once again to legislate possible reductions in public service pensions. We want to know now that this proposal is financially viable. We want to see the results of the actuarial costing recommended by Tomenson-Alexander. Indeed these results are crucial for the drafting of such legislation. We want to see the government's three-year projections, as well as its long-term ones. We want to put to rest once and for all the suspicions that this is a stop-gap measure, and that parliament might have to be called in to make further reductions in the future. We want the facts and figures necessary to give public servants some degree of satisfaction that these provisions will not lead to a situation where their pensions will be reduced drastically in the face of continuing inflation.

If there is a major problem with the bill, it relates to the decision to replace full CPI indexing with ad hoc adjustments to be made every three years. This provision requires that the President of the Treasury Board, with the advice of the chief actuary of the Department of Insurance, shall estimate the funds available for indexing in each three-year period. If the minister discovers there is not sufficient funds, he will advise the governor in council on the amount of indexing which should occur.

The problem is twofold in this regard. First, the minister can make this decision without seeking outside advice. Because of the number of actuarial assumptions which must be made, including an assumption about future interest rates, this gives a great deal of freedom to the minister. Slight changes in the assumptions can yield very different results. For instance, until last year when outside actuaries and accountants got into the act, the government was convinced there was not a problem with the indexing of public service pensions and, with appropriately chosen assumptions, it made it appear that there was no problem.

This leads to the second problem—the possibility the minister could use this provision for political purposes. The assumptions he chooses, and consequently the amount of funds available for indexing, could be quite different in an election year than in a non-election one. Accordingly we believe that amendments should be introduced to the bill. It should be ensured that the three-year actuarial valuation will be subject to review by independent actuaries as recommended by Tomenson-Alexander in its report. It should be ensured that any valuation will include long-term as well as short-term estimates. It should be ensured that any actuarial valuation and review are tabled in the House prior to October 31 for the purposes of the following three years.

My speech is somewhat lengthy because we are not going to have that many speakers. We are prepared to expedite the debate at second reading so that the bill can be sent to committee where it can be examined carefully, where expert witnesses, some of whom I mentioned earlier, may be called upon to give testimony, and where all facts can be brought out in the open. Also we will be asking for information about the proposals to deal with air traffic controllers which provide them with early retirement features at increased contribution rates. We will want to see actuarial valuations to support these proposals. Also we will raise questions concerning some of the technical amendments during committee hearings.

While the Progressive Conservative party is prepared to begin clause by clause study and hearing the witnesses, I must warn the government that future total support will depend upon the answers we receive in the days ahead. Sincerely we hope the facts and figures behind the bill will prove the bill accomplishes the stated goal of the minister to fortify the financial viability of public service pensions. Public servants should know with some degree of certainty that they are paying for and are entitled to receive pensions which reasonably reflect changes in the CPI, and that this will not impose any undue burden on the taxpayer.

● (2140)

At this time I should like to state that the provisions regarding air traffic controllers arise from an agreement reached in 1976 and are modelled after similar provisions in the United States. One provision deals with workers in control towers who work under stress. That is why I think you will be hearing from the armed services and the RCMP, because they also work under stress and at some risk. Accordingly, there was a certain provision made for control tower people. Under such circumstances regarding controllers, and if retaining or the obtaining of alternate employment fails, they could receive early pensions.

The provision provides for voluntary retirement at full pension at age 50 after 25 years' service in an air traffic control tower. If retirement is involuntary, it provides for an immediate pension based on the number of years of service after ten years, with no penalty at age 45 with 20 years. This will be financed by a 2 per cent increase in the contribution rate of air traffic controllers and a matching employer contribution.

There are a number of unanswered questions which must be answered regarding this bill. Tomenson-Alexander recommended that an actuarial valuation of the combined pension program be undertaken before any major changes are made.

Has the government undertaken any actuarial valuation of the combined plan? If so, what actuarial assumptions were used, what amount of indexing will be available to the public service, Canadian forces and RCMP in the three-year period from 1980 to 1982? What amount of indexing will be available in subsequent three-year periods?

The bill creates three separate funds for the public service, the armed forces and the RCMP out of which indexing will be paid based on an estimate of the funds available for each three-year period starting with 1980-82.

If estimates are too high in early years, could this lead to a situation where pensions will be reduced in the face of high inflation in later years? Will the amount of indexing for everybody coming under the SBRA be based on the calculation of funds available in the public service account? If so, is it not possible for one account to run out of money before the others? Alternatively, different groups might receive different amounts of indexing. Who will pay for any deficits? Who will pay for any deficits which might arise with regard to other recipients, members of parliament, judges and diplomats?

The bill proposes to transfer excess interest on the retired employee's share of the public service superannuation account to the supplementary retirement benefits account. What is the expected annual increase in cost to the government in respect of the public service superannuation account as a result of this decision? At present, the government credits interest to the accounts based on the interest rate on long-term government bonds. Will future interest rates be based on a more fair interest marker reflecting investment opportunities which would be available in the market? I think that is what the minister indicated. What asset mix will be used?

One of the greatest concerns with public service pensions relates to the problem resulting from phanton funding. In other words, all excess contributions each year go into consolidated revenue, and payments are made from consolidated revenue. There is in reality only a paper entry, not a real fund. Has the government considered actually investing part of the assets of the public service superannuation account in non-government securities and, if so, what portion of the funds is the government considering in this regard?

In all fairness, Mr. Speaker, I think I should conclude now because I want my friend from the NDP—

Mr. Knowles (Winnipeg North Centre): You might as well keep on going. I can make my speech on Monday.

Mr. Alexander: All right. The hon. member wants me to keep on going so I will pick up from where I left off.

By virtue of Bill C-28, now Bill C-22, the government has spoken a great deal about total compensation comparability, the principle now known as equitable comparison, with the representative selection of employers in the private sector. Has the government undertaken an equitable compensation study comparing public service compensation with private sector compensation? Does the government agree with the Tomenson-Alexander study which indicates that the excess value of the combined pension program over the average in the private sector is of the order of 9 per cent of pay? What impact will the amendments proposed in Bill C-22 have on that calculation? If an equitable compensation comparability is instituted, will unions be allowed to bargain changes in pension benefits?

The bill attempts to deal with the problem of early retirement by starting indexing at age 60 rather than age 65. What is the average age of retirement in each of the years 1972 to 1978? How does this average vary by annual salary level? What is the estimated impact that this provision will have on average retirement age, and is this fair in cases of non-voluntary retirement?

The bill provides an early retirement provision for air traffic controllers who work in control towers in high stress situations in return for a 2 per cent increase in their pension contributions. Has the government undertaken an actuarial valuation of this proposal and, if so, what were the results of such valuation?

Another problem which we must face relates to the conversion of the Post Office to a Crown corporation, and this leads to a number of questions. Will the Post Office employees continue in the public service superannuation plan, or will they have their own plan? How much money will be transferred if a new plan is created? How will Post Office employees who are now retired be handled? Will they move to the new plan or remain in the present one? What impact will all this have on the valuation of the combined public services plan?

Mr. Speaker, you can see how important this bill is and you will note that we do not treat it lightly, like some hon. members who were laughing because I was taking my time trying to put forward several questions which they cannot answer, in order that all of us in this House can determine whether the approach, the direction and the principle the government has taken are satisfactory, just, equitable, and actuarially sound ones. We are prepared to give this bill second reading in order to get it to the committee where we can hear witnesses and get the expertise and advice that I think is required before we can come to a rational conclusion in terms of whether this bill is on the right path. The public service demands this, we demand it, and the people of Canada demand it.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, earlier this evening—

An hon. Member: Call it ten o'clock and we can watch the third period.

Mr. Knowles (Winnipeg North Centre): At what stage is the game, in the third period? Earlier this evening I felt I would be able to make my entire speech before ten o'clock, but as things rolled on I felt I might as well have gone into the lobby to watch the hockey game.

An hon. Member: Everybody else is there.

Mr. Knowles (Winnipeg North Centre): I suppose this is one time when, if I suggested we call it ten o'clock, I might get unanimous agreement. However, this is a very serious issue and I am happy to speak briefly on it tonight with the understanding that I shall probably have to adjourn the debate at ten o'clock and continue when we get back to this bill next week.

There is one thought expressed by the President of the Treasury Board (Mr. Buchanan) and by the hon. member for Hamilton West (Mr. Alexander), in which I thoroughly concur; with them I decry the campaign, and particularly the nature of it, which has been against the indexing of public service pensions.

There are or have been enlightened insurance executives like Sydney Jackson of the Manufacturers Life, and the late William Anderson of North American Life, who have realized that pensions are not pensions unless they are indexed, and that the private insurance industry must address itself to that problem. I earnestly hope, with that kind of enlightenment on the private side, we will move in the direction of winning for all people in Canada adequate pensions and the indexing of those pensions, instead of having to listen to a campaign against public servants such as we have experienced for quite a considerable period of time.

I have referred to enlightened insurance executives. I am afraid that the others, those who wage the kind of campaign that was exemplified in an advertisement in the papers today, must face the suspicion that in times of inflation insurance companies gain if the pensions are not indexed, because they do not have to pay any more, but they make a lot more money in the interest that they earn on the funds which have been entrusted to them. The three of us who have spoken thus far are agreed on this issue. We have no use for the campaign which has been waged against the indexing of civil service pensions.

● (2150)

It is not particularly relevant at this point in my remarks, but having mentioned a couple of names, there are a couple of others that I would like to mention favourably. We are well served in the Government and Parliament of Canada by our public servants, and I know that it is a bit unfair to single out any particular individuals, but I think it would not be inappropriate for me to say that in this field, the whole question of the indexing of pensions and many other aspects of pensions, we were well served for many years by Mr. Hart Clark and the staff that surrounded him, and we are being well served today by Mr. W. A. Kelm and his staff. I hope it is not inappropriate for me to say that with Mr. Kelm in the gallery. After all, he has been there several days waiting for this bill to get started, and at least he should get credit for that.

I approach this subject as a firm believer in the right of older people, not only to have pensions for their retirement years, but also in their right to have those pensions keep up, at least, with the cost of living. I emphasize the words "at least". In my view that does not go far enough. The fact of the matter is that in their working years our people get a certain measure of the increase in productivity which takes place. They seek and have a right to seek wage and salary increases which bear some relation to the gross national product. It is not good enough to say to older people who have retired, "All we shall do for you is to make sure that your income will keep up to the cost of living so that at age 70, 75 or 80 you can buy the same basket of goods and services you were able to buy at the point when you retired."

The standard of living is increasing for everybody else in society, and one of the reasons for increased productivity is the contribution made by those older people. I hope the day will come when, instead of having to defend indexation in relation to the rise in the cost of living, we will be joined in the battle to get it improved so that it is based on the gross national product and therefore will enable retired people to enjoy their rights as full members of the Canadian family.

I suspect that members are getting used to, if not a little tired of, hearing me make personal references in these debates on pensions, but one of the facts of life is that I have been involved in this issue for a long time. I well remember that in 1944 I asked my first question about the pensions of retired civil servants. They were referred to as civil servants in those days, not public servants. I did so because some older persons who had been retired for a number of years came to see me at my home in Winnipeg and laid their plight before me. They convinced me that this was an issue that one should pursue, so I took it on in 1944. The members who were here a few years ago—there are no members here tonight who were here in 1944, the right hon. gentleman for Prince Albert (Mr. Diefenbaker) was here but does not happen to be present in the chamber tonight—will remember the many times during question period, in debate, and during the late show, when I pressed this issue.

One of the few times in this House when I found it difficult to speak was toward the end of 1969. It was 25 years after 1944, and I was able to stand up in this House to welcome the announcement made in December, 1969, by the then president of the treasury board, the Hon. C. M. Drury, that the escalation of the pensions of retired public servants would be put into effect. I sometimes tell that story to some of my younger colleagues who say they have been around here for a full term or a couple of terms and have not accomplished much yet. I say, "Stick around a while, some things take a quarter of a century." The reason for throwing in that personal reference is to make the point that I believe thoroughly in this, and the fact that it took such a long time to win it, and the fact that we won it, I think, gives a certain moral sanctity to it.

Along the way we won the beginnings of the escalation of other kinds of pensions. It was in the mid-1960s that we got the Canada Pension Plan which had in it a provision for indexing pensions up to a ceiling of 2 per cent. We began the indexing of old age pensions, again up to a ceiling of 2 per cent.

I was here, too, in the famous years from 1972 to 1974. They have been mentioned by other members tonight, but I

would like to mention that those were the years of a minority parliament when we got those 2 per cent ceilings removed and got the indexing of public service pensions, RCMP pensions, Canadian Armed Forces pensions, old age security pensions, guaranteed income supplement pensions, pensions of veterans on disability payment, and so on, up to the full extent of the rise in the consumer price index.

I know that I have indulged in this bit of memory and reflection a number of times, and I make no apology for doing so because I think that the Parliament of Canada has been at its best when it has done these things to make life better for our older people. By mentioning those other pension plans to which I have referred, I emphasize that my concern—and I hope the concern of all members of this House—is not just for public servants but for all the people of Canada. Our job is not to backtrack on this program but to go ahead with it. I thoroughly dislike, and I decry, as the two previous speakers have, the campaigns of those who try to turn back the clock in so far as the indexing of pensions is concerned.

I take my stand along with the two persons I already named, my friend, the late Bill Anderson of North American life, and Sydney Jackson of Manufacturers Life, who realized the social responsibility of private industry and of the private insurance business to move into this field. That is what we should be doing, not having to cope with a campaign against the indexation of pensions, but moving in two directions; first to see to it that indexing applies to all pensions, public and private, and, second, to see to it that this indexing is made more in line with the rise in the standard of living and the rise in gross national product.

I will be happy to say more on this matter on Monday, or whenever we come back to Bill C-12. In the meantime, may I call it ten o'clock?

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ECONOMIC DEVELOPMENT—CURRENT ACCOUNT DEFICIT—GOVERNMENT ACTION TO REDUCE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, tonight's debate arises from a question I put to the Deputy Prime Minister (Mr. MacEachen) two months ago. At that time I asked the Deputy Prime Minister what minister in his cabinet was going to put in place—like today—a new plan to arrest the current account deficit in this nation. The question was necessary because of the unsatisfactory answers received the day before from the super economic minister, sometimes known as the President of the Board of Economic Development Ministers (Mr. Andras). That minister has simply said that the current account deficit was a problem of medium and long term and would have to be solved in that context. That is not good enough.

[Mr. Knowles (Winnipeg North Centre).]

Unfortunately, the Deputy Prime Minister reiterated at that time that the problems were medium and long term, but gave no indication as to how to solve them. He did refer to the travel account deficit as being part of the problem and said that that problem was one which would have to be solved in a medium term sense.

The travel account deficit amounted to $1.8 billion last year compared with $29 million in 1968. Imagine, within ten years we shifted from a rather nominal deficit on the tourist account of $29 million to $1.8 billion last year, yet all the Deputy Prime Minister and the President of the Board of Economic Development Ministers have to say is that that is a medium or long-term problem.

The fact is that the travel deficit alone represents 40 per cent of the current account deficit this year. Expressed another way, in the past four years the deficit on the travel account has represented $5.3 billion. Many authorities feel that that deficit may continue to increase. If we are looking for reasons why our diving dollar continues to dive lower and lower, we need look no further than the current account deficit of some $4.5 billion which we ran up last year.

Sometimes I feel that the government is unaware of the magnitude of what we are talking about. Let us look, for example, at what the *Financial Post* says in the current issue. It says that a foreign investment study in Florida has revealed that Canadians are the largest single group of foreign investors in that state. The study listed 45 Canadian controlled firms in land development in Florida and another 17 in which Canadians are partners. The reason I link the tourist deficit with the capital investment which is taking place in Florida is not just that the people are going down to sunny Florida as tourists; they are taking their money with them. They are investing Canadian dollars in that state in amounts which are estimated at $450 million at the present time, and it is anticipated that in the coming 15 years that amount will exceed $1.3 billion, yet here we have the Deputy Prime Minister and the superior economic minister opposite saying that this is a long-term or medium-term problem and, in effect, "Why bother with them?"

The magnitude of the travel account deficit, the interest and dividend deficit, and the resulting current account deficit, is that in the last five years we have actually had a total current account deficit of $18 billion. The Minister of Finance (Mr. Chrétien) sometimes glibly says that we have always had that deficit. That is a straight misrepresentation. In the previous five years, the first five years if you like of this emperor's reign, there was a surplus. The surplus was something over $300 million per year, and yet here we have a government faced with a deficit of a current account nature for the last five years aggregating $18 billion and it has the audacity to tell us somehow that is a medium or long-term problem that it is not prepared to address at the present time.

• (2205)

Let me touch once more on that important question of the net direct investment outside this country. In the first six months of 1978, for example, we find that that net direct investment amounted to $725 million. That was in just six months. In other words, on average per month the net amount of money flowing out as opposed to coming into Canada was $100 million a month. That compares to net direct investment in Canada in 1968 of $365 million. In short, it is not just a coincidence—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired.

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased to respond to the question put by the hon. member for York-Simcoe (Mr. Stevens) on December 8. Let me begin by pointing out that historically Canada's balance of international payments has been characterized by a significant deficit on current account and a surplus on capital transactions.

Mr. Stevens: That is just not true, and you know it.

Mr. Martin: Current account deficits for Canada are neither new, in fact they are the rule, not the exception, nor are they in themselves a bad thing. In order to finance high levels of capital formation and enhance economic growth, Canada has traditionally supplemented its domestic savings by recourse to foreign capital markets. Deficits on current account are the necessary counterpart of this.

Nevertheless, under present circumstances the government would view a reduction in Canada's current account deficit as a favourable development. We are optimistic that this will occur in the future. The deficit in the third quarter was influenced by some rather disappointing figures for Canada's international balance on merchandise trade in July and August. There are grounds for believing, however, that the merchandise trade figures for the summer months are not indicative of a trend. Taking a longer perspective, since the first quarter of 1976, we have experienced a substantial improvement in our merchandise trade account and we expect further gains. Our competitive position in international markets, which earlier had been a cause for concern, is much improved and this should exert a positive influence on our current account balance over the coming quarters.

In our view, as has been mentioned on many occasions, attempting to affect the pattern of Canada's international payments by artificial devices would be counterproductive and would be treating the symptoms rather than the causes of a problem. Effective adjustment in the balance of payments is best promoted by following sound macro-economic policies, not by taking ad hoc measures in reaction to erratic movements in reported data for a particular quarter.

Mr. Stevens: You say $18 billion is erratic?

Mr. Martin: By concentrating on the fundamental economic problems of the country, by maintaining control over the money supply, by slowing the rate of growth of government expenditures, and by promoting structural adjustments where needed we believe that we have laid the foundations for an improvement in our economic performance which will be reflected in a balance of payments structure appropriate to our situation.

Turning to the claim that the current account deficit is the reason behind the decline in the value of the Canadian dollar, surely this is an incomplete analysis. It completely ignores the role of capital account transactions, which, in Canada's case are of fundamental importance. I should point out, as well, that an examination of the historical record reveals that, on occasion, Canada has experienced simultaneously a current account deficit and a rising exchange rate.

Finally, with reference to the question on the expenditure of international reserves intervention in the foreign exchange market has been carried out with a view to maintaining orderly market conditions rather than defending any particular level for the exchange rate. During a period of adjustment in the balance of payments, intervention may be sizeable compared to a more tranquil period.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired.

• (2210)

Mr. Stevens: On a question of privilege—

The Acting Speaker (Mr. Turner): Order. Questions of privilege cannot be raised during the late show.

Mr. Stevens: He has misled the House, Mr. Speaker, shamefully.

AIR TRANSPORT—USE OF EMERGENCY LOCATOR TRANSMITTERS IN AIRCRAFT

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I want to speak with regard to a question I put to the Minister of Transport (Mr. Lang) on Monday, February 5. I say at the start that the minister is guilty of a complete lack of concern for the safety of the flying public. He is arrogantly stupid. He is unwilling to act to safeguard the flying public. He is guilty of wilful and wanton misconduct in carrying out the duties of his office, and guilty of a cover-up that endangers the flying public. He is kamikaze minister. The difficulty is that he is not careless about his own life and safety, just the life and safety of everyone else who flies.

I will give the reasons why I say that. In 1975 the Department of Transport ordered private pilots to instal approved emergency locator transmitters on their aircraft. They had to have that completed by July 1, 1977. These ELTs or black boxes switch on automatically when a plane crashes. They then beam a powerful signal for up to 50 hours which enables

rescuers in other aircraft to search and find them, even if they are completely hidden by trees, snow or whatever.

In October, 1977, the department ordered the complete removal of ELTs or ELT batteries from all aircraft. The reason was they had discovered that in two aircraft on the ground the lithium batteries which were used to power the ELTs had exploded, and that they might explode during flight. This, apparently, was due to a corrosion problem. If they corroded, they might explode.

That meant all aircraft, including the Churchill Falls jet, had to remove their ELTs. On December 9, 1977, when landing at Churchill Falls, the aircraft crashed about two miles short of the runway. There were two pilots and six passengers. It turned out subsequently that six of them died in the crash. The two who survived the crash died as a result to exposure to the cold.

The aircraft did not have an ELT. Two helicopters took off from Churchill Falls immediately. Because there was no ELT in the downed aircraft, and because it was snowing that evening, they could not find the aircraft. The aircraft was not found for two days. It was not discovered until December 11. The two survivors had frozen to death because they had not been discovered right away.

That was a bad mistake DOT made in ordering ELTs out of the aircraft, making a mandatory order that this be done. The Canadian Owners and Pilots Association says the department should have consulted with the industry and aircraft pilots and owners to find a quick solution to the problem. What they should have done was warned pilots and aircraft owners to check these lithium batteries and continually monitor them. It would be safer to have these ELTs on board, taking the small risk of the lithium battery exploding, something that would not happen if there was a constant check for corrosion.

In February, 1978, DOT changed its requirement and said that on a voluntary basis pilots could reinstate the ELT with a dry cell battery until a lithium battery was perfected. It is now a voluntary matter. That decision could have been made in October, 1977. If it had been on a voluntary basis on October, 1977, the CFL Co. aircraft would still have had the ELT and these two people probably would not have died due to exposure. Instead, it gave the order that they be all removed.

On Monday the minister confirmed to me that this is still voluntary. A year and some months later after this crash, aircraft are still not required to have ELTs on board, even the American type. All aircraft in the United States must have an ELT, but not here in Canada.

There was a magisterial inquiry into this crash which started in November in St. John's. Mr. H. Glynn-Reid of Moncton, chairman of the MOT operations group for air aviation safety, testified that the two who lived through the crash might have been found alive if the plane had been equipped with an ELT which would have given out automatic signals to aircraft. Another witness from MOT, Mr. W. R. Bowie, chairman of the flight recorder group, explained why the ELTs had been removed. There were two cases where batteries exploded, though both aircraft were on the ground at the time.

• (2215)

I brought this matter up in the House. I was the first to reveal it publicly on August 23, and I have been campaigning about it ever since. The minister's department changed the report of the Accident Investigation Bureau, changed the report of the Safety Bureau and the Independent Review Board, changed the wording—something which I will not go into tonight—so that the report no longer clearly blamed the department for ordering those ELTs off the aircraft and so the minister, on November 6, had to tell the House that he had made it clear to officials that they could no longer change reports coming to them from the Safety Bureau or the Independent Accident Review Board. The minister has gone that far.

Then, further in the magisterial inquiry, giving evidence several days ago, Captain Powick, in charge of air search and rescue at Halifax, said he could not think of one dangerous incident involving ELTs in military aircraft. He said, further:

> It is costing the taxpayer millions of dollars to search for aircraft which do not have ELT's on board. From my personal point of view I can see no reason not to have ELT's aboard the aircraft . . . sufficient time has elapsed to have found a suitable replacement (for the lithium battery).

All this illustrates the minister's complete disregard for the safety of the flying public. He shows no sense of urgency. More than a year after these incidents occurred they still have not found a battery. The reason the minister gives is that lithium batteries are not good in very cold weather. The weather in Canada is not always cold. If these batteries are good enough for the United States they are good enough for us, now.

The minister told us in this House on Monday that he could be "very assuring in terms of the performance of our airlines, our pilots and everyone operating the air travel system so Canadians need not be concerned." He said they need not be concerned about safety in the air, that Canadian safety levels are very high. Yet today there is a report in his department which says that air safety regulations are unco-ordinated and haphazard, that there is widespread ignorance and misunderstanding of the rules. A devastating indictment is contained in the report of his own department. Notwithstanding this, the minister comes to the House and makes misleading and false statements. I contend that he should resign immediately. As soon as that CFL Co. aircraft went down and it was discovered that there were two survivors who later died from exposure—

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

Mr. Maurice Harquail (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, it is unfortunate that I do not have equal time so that I can reply to the hon. member more fully. However, it will be noted that in the preliminary part of his presentation the hon. member discredited himself by the remarks he made with regard to the

minister and the ministry. We see this all too often. Perhaps I may, through you, Mr. Speaker, make a friendly suggestion to the hon. member. If he would drop that approach he might enjoy more credibility when dealing with such a serious matter.

Mr. Crosbie: Answer the point!

Mr. Harquail: The hon. member fails to mention that Canada enjoys the best reputation in the world for demanding the highest safety standards in the air in terms of any operation conducted in this country. I think this should be mentioned.

Mr. Crosbie: Tripe!

Mr. Harquail: To respond to the hon. member's question, the airworthiness directive requiring the removal of all ELTs powered by lithium batteries is still in force. As the status report on this subject shows, replacement battery packs (with no lithium batteries) are now available for approximately 90 per cent of the current emergency locator transmitter systems in operation. Once all battery packs can be replaced, the original air navigation order calling for installation (where applicable) of a functioning ELT in aircraft will be back in force.

I am sure the hon. member is very much aware of the need for removing lithium batteries from aircraft. There are documented cases indicating the danger of using this type of battery for ELTs, although fortunately, there were no casualties in any of the reported cases. It was decided that lithium batteries used in ELTs presented an unacceptable high risk for use in civil aircraft. Therefore, an airworthiness directive was issued ordering their immediate removal.

In view of the serious situation arising from the removal of ELTs, and cognizant of the safety factors that guide our ELT policy, it has been the objective of the Canadian Air Transportation Administration to restore ELTs to service as quickly as possible.

There is evidence now that no alternate lithium based call would be available or proven safe for civil aircraft application in the immediate future. Consequently, the seven manufacturers of ELTs, who hold Canadian type approval, were formally asked to submit a proposal for a program to retrofit their manufactured ELTs with a substitute non-lithium battery. Five of these companies have received approval for a battery retrofit program. They represent about 90 per cent of the ELT population. There is the potential that the majority of ELTs will be returned to service over the period extending into later this year.

● (2220)

Returning ELTs to service represents an interim phase in upgrading their effectiveness. But it should be pointed out that the ELT system will be deficient in at least two areas during this interim period. The modified ELT with a non-lithium battery will not meet the operating requirements of minus 40 degrees centigrade for 100 hours. The ELTs prior to their removal from the civil aircraft fleet were experiencing numerous technical problems other than those involving their batteries. These deficiencies will continue to affect over-all ELT proficiency.

Operational efficiency of ELTs is a North American problem which has precipitated intense activity in the industry. Lead times required for research and development, regulatory change and implementation, mean that it will be some time before the desired high performance of the ELT system can be realized.

LOTTERIES—PROMOTION OF LOTO SELECT

Mr. Thomas Siddon (Burnaby-Richmond-Delta): Mr. Speaker, during the question period on December 21, 1978, I asked two questions of the Minister of State for Fitness and Amateur Sport (Mrs. Campagnolo), in her capacity as minister of lotteries. As reported on pages 2344 and 2345 of *Hansard* I asked about the purchase and disbursement by Loto Canada of some $17,000 worth of foil-wrapped chocolate candies. I also asked why and at what cost an American author has been commissioned to write a book about Canadian lottery winners. Why an American author?

I expect the parliamentary secretary will give full answers to these questions this evening. However, it was the closing assertion of the hon. lady which provoked me to call for this debate. She said:

> Canadian lottery winners are extremely intelligent in their investment in Loto Canada because they are able to maintain most of their dollars in their bank accounts.

I am afraid I do not understand the minister's reference to "intelligent investment", but I certainly have to question the intelligence of the decision makers at Loto Canada. How did they ever blunder into this foolish and ill-fated Loto Select fiasco? The losses due to unfulfilled contracts could run as high as $37 million. Indeed, one has to question the competence of the minister in view of her scandalous mismanagement of this multimillion dollar adventure into the world of organized gambling.

Why was Loto Select terminal equipment for the "dollar a shot" lottery ordered in such great haste last June? Why was a $23 million contract placed for 2,000 slot machines from General Instrument Company of the United States? Why were tenders not called, recognizing that there were at least ten Canadian companies fully capable of supplying such equipment? Why, when this hypocritical government was spending tens of thousands of advertising dollars urging us to "buy Canadian", did it go to the United States? Why did the cabinet not seek the concurrence of the provinces and of parliament before embarking on this foolish project? Why has the minister consistently refused to explain this remarkable circumstance to the House of Commons?

In addition to the millions wasted on the leased lottery equipment, other millions were spent to renovate, furnish and equip two major data processing centres, one in Vancouver and the other in Montreal. I have visited the Vancouver facility,

which occupies an entire floor of the Bordiguon building, about 10,000 square feet. The renovation cost was over $300,000. Telephone trunk lines were brought in from all major cities in western Canada, costing about $1 million. A five year lease for the premises, at $9,000 per month, cannot be broken until next August, when a penalty of six months' rent amounting to $54,000 will have to be paid. Today, the Vancouver facility sits vacant except for more than $200,000 worth of furnishings now being sold off.

Over 50 employees were hired. They worked at Loto Select for only a few weeks. Each is receiving a severance allowance of about $10,000. At least one employee is back at his previous job, having picked up $10,000 in compensation without ever reporting for work with Loto Select.

● (2225)

The hon. minister regularly insists that Loto Canada plays a major role in supporting amateur sport in Canada. But what has Loto Canada really provided to the benefit of amateur sport? In 1977 the lottery took in $225 million, of which only $3.7 million or 1.6 per cent went directly to promote fitness and amateur sport. That is about 17 cents per capita. Of the balance, $25 million went to advertising and promotion, with the remainder going to wholesalers' commissions, prize money, and the Olympic debt.

It is high time for us to undertake a reassessment of the role and impact of Loto Canada. Does gambling organized by the state represent a veiled form of taxation which appeals most to those who can least afford to "play the games"? Those lower income Canadians who are more inclined to take a chance on the "big jack pot" are often those who impose the greatest burden on our social welfare systems. Personally I believe the federal government's involvement in lotteries is unnecessary, improper, and serves only to create a distorted sense of values, especially among our young people. Also it diverts the talents and energies of government ministers, such as the hon. lady, from the many really important problems which should be attended to in Canada today. I am pleased to see that at least two members on the government benches share my view, as expressed in the motion under Standing Order 43 moved last Friday by the hon. member for York West (Mr. Fleming) and seconded by the hon. member for York South (Mrs. Appolloni).

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, on December 21, 1978, the hon. member for Burnaby-Richmond-Delta (Mr. Siddon) raised from what he considered to be reliable sources the innuendo that chocolates have been absorbed by the staff. Also in his supplementary question on the same date he alleged that an American college professor was engaged to write a promotional book.

The reliable sources of the hon. member for Burnaby-Richmond-Delta have proven neither reliable nor accurate. Perhaps he would like to tell us the source. Contrary to the member's allegation, the gold foil wrapped chocolate coins had nothing whatsoever to do with Loto Select. It was a marketing promotion only. It was part of the regular Loto Canada $10 draw which had a prize of $1 million in gold.

The charge that Loto Canada absorbed huge quantities of the chocolate coins is probably sour grapes. The hon. member for Burnaby-Richmond-Delta is just complaining because this promotion scheme ended just before the cross-Canada gold bar tour reached British Columbia and the area which he represents. As far as costs of this promotion measure are concerned, the Crown corporation paid $11,000 out of an original $17,000 estimated cost for the project. Thus, the member's allegations are totally without accuracy. This is not the type of preparation we expect for questions by members of parliament.

With regard to the hon. member's supplementary question, yes, an American college professor was hired to write a survey report—not a book—on Canadian lottery millionaires. As a matter of fact, Mr. H. Roy Kaplan was chosen by the other three members of the survey team, who are also Canadians, because of his expertise in the field. Other members of the survey team were Daniel Koenig, assistant professor of sociology at the University of Victoria, Dr. Victor Tremblay of the University of Montreal, and Ms. Marjolaine Martin, a sociologist also from the University of Montreal.

Of course the hon. member has raised many, many more questions this evening which were not part of his original question and supplementary one. I suggest perhaps he will wish to have another late show question at a later date.

The Acting Speaker (Mr. Turner): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

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

HOUSE OF COMMONS

Friday, February 9, 1979

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

RAILWAYS

PRESERVATION AND REVITALIZATION OF NEWFOUNDLAND RAILWAY—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that representatives of all the railway unions of Newfoundland are meeting today with the Minister of Transport (Mr. Lang) following a long campaign to have the minister become interested in the preservation and revitalization of the Newfoundland railway, led by the hon. member for St. John's West (Mr. Crosbie) and the hon. member for St. John's East (Mr. McGrath) in Ottawa, and supported by a unanimous resolution passed by the House of Assembly of Newfoundland and by about 100 per cent of all organized bodies and public opinion in Newfoundland, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the minister explain on motions on Monday the results of his discussions with representatives of Newfoundland railway unions, and that the government make a firm commitment that it will meet all properly audited and proven losses suffered by the Newfoundland railway division of CN and provide necessary capital funds for maintenance and improvement of facilities, and that a government commitment be made for the preservation and improvement of the railway mode of transportation in Newfoundland as is the case in the other provinces of Canada.

Mr. Speaker: The presentation of such a motion for debate at this time, pursuant to Standing Order 43, can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CONSUMER AFFAIRS

REQUEST GOVERNMENT ACT TO HOLD DOWN FOOD PRICE INCREASES—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I should like to move a motion under the provisions of Standing Order 43.

In view of dramatic food price increases—19 per cent last year—and continued escalation of meat prices in recent weeks, and noting that those people on fixed incomes, especially senior citizens, need help and protection from unfair price increases, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instruct the Minister of Consumer and Corporate Affairs to take action to hold down food price increases so that senior citizens will not face hardship and a lower standard of living.

Mr. Speaker: Such a motion can be introduced for debate at this time only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

CALL FOR CONTINUANCE OF SUBSIDY IN RESPECT OF "HANSARD"—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity arising from the fact that the Minister of Supply and Services (Mr. De Bané) yesterday announced discontinuance of the subsidy in respect of *Hansard,* a most picayune action.

• (1110)

In announcing the end of subsidies for *Hansard,* many Canadians will be effectively denied access to the report of proceedings of the Parliament of Canada, particularly those on low incomes. It is the only means by which Canadian people can understand what goes on in parliament, and that is their right. Today, *Hansard* costs $3 a year but it is to be raised to an estimated cost of $65, a preposterous action.

Some hon. Members: Shame.

Mr. Diefenbaker: I therefore move, seconded by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn):

That this House instruct the Minister of Supply and Services immediately to rescind the announcement with regard to the discontinuation of subsidies to *Hansard* so that no Canadian may be deprived of continuing access to information to which he or she is entitled.

Some hon. Members: Hear, hear!

S.O. 43

Mr. Speaker: The introduction of such a motion for debate at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CROWN CORPORATIONS

REQUEST FOR STATEMENT ON GOVERNMENT POLICY—MOTION UNDER S.O. 43

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I rise under the provisions of Standing Order 43. Given that the 1977 Privy Council study on Crown corporations indicated the government's intention to table an omnibus bill in parliament that fall, the fall of 1977, a promise confirmed by testimony of a Privy Council Office official before the Standing Commitee on Public Accounts, and in light of the response to my question last Wednesday by the President of the Privy Council indicating that the government no longer intends to introduce such a bill, I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That the President of the Privy Council make a statement on motions indicating that this House is no longer to believe the commitments given in the PCO study and clarifying the true nature of the government's Crown corporations' policy as it currently stands.

Mr. Speaker: Presentation of such a motion for debate requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LABOUR RELATIONS

NEED FOR ADOPTION OF PROGRESSIVE LABOUR-MANAGEMENT RELATIONS—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that the Prime Minister last week, in answering a question, defended Canada's comparative economic progress and referred to Japan's very favourable position as being in great part due to a policy of not laying off workers in periods of recession or stagflation, and in view of the fact that Canada lags far behind not only Japan but many western European countries in this aspect of employees' protection, and in view of the fact that the ideas of corporate social responsibility and workers' job rights remain practically excluded from our labour-management legislation in this country, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

[Mr. Diefenbaker.]

That the Prime Minister and the Minister of Labour show some leadership on this issue and persuade their provincial counterparts to adopt this type of progressive labour-management relations.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

AVAILABILITY OF CRUDE OIL FOR EAST COAST REFINERIES—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax-East Hants): Mr. Speaker I, too, rise under the provisions of Standing Order 43. The reduction in the amount of Middle East crude oil available for world markets is of great concern to Canadian east coast refineries dependent on foreign crude oil for production. Accordingly, I move, seconded by the hon. member for Northumberland-Durham (Mr. Lawrence):

That this House direct the Minister of Energy, Mines and Resources to prepare and present a plan to ensure the availability of crude oil for Canadian east coast refineries so that members and all interested parties can examine and assess the plan.

Mr. Speaker: Such a motion can be presented for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CENTRAL MORTGAGE AND HOUSING CORPORATION

INSPECTION BY AUDITOR GENERAL OF FINANCIAL MANAGEMENT OPERATIONS—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I rise under the provisions of Standing Order 43. In light of the charges that CMHC operates on a system of patronage, and the reported statement by the assistant secretary to the Ministry of State, "I'd hate to see an audit done on all things ordered by cabinet", I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this House immediately instruct the Auditor General of Canada to undertake a detailed inspection of the financial management operations of CMHC for the last, preceding fiscal year.

Mr. Speaker: The introduction of such a motion for debate at this time, pursuant to Standing Order 43, can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

TRANSPORT

ALLEGED INEFFICIENCY IN SAFETY PRACTICES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I direct a question to the Minister of Transport. Over the last two or three years, Canadians have been bombarded virtually daily by horror stories of inefficiency in safety standards in the air, on the water and on the ground. The matter culminated just this week in a further "leaked" report with respect to the difficulties with air inspection and safety measures.

● (1115)

I ask the minister whether this continuing story, that now embraces 18 or 19 serious major incidents in transportation in this country in the last two years, is the result of a breakdown in communications between the minister and his advisers, or is it a fact that the minister has not the time or the inclination to spend in order to ensure that Canadians continue to enjoy the right to safe travel or, equally important, the right to believe they can travel safely. What in hell is going on with transportation safety in this country?

Some hon. Members: Shame.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I enjoy the choice the hon. member gives me in the way of explaining something; however, since the "something" does not exist, I do not make the choice.

The level of safety in this country is very good. Obviously, we cannot ever be content with that answer alone and we are working steadily on the question and making improvements with a lot of very loyal and effective people involved in the operation. The so-called report to which the hon. member referred, as I indicated in the House yesterday, was not a report at all but a working document submitted by one participant of a task force. The task force itself was set up because of our earnest interest in ensuring that the system of inspection and operation in the matter of air travel is constantly improving. We will go on improving it. But, Mr. Speaker, do not let the hon. member's words about travel safety worry Canadians needlessly, when in fact we do have a very sound system.

Mr. Forrestall: The difficulty with the minister is that he does not know what the hell is going on in this damn country. On every side—

Some hon. Members: Shame.

Mr. Speaker: Order, please. Perhaps the hon. member would put his question.

Mr. Forrestall: If the minister is suggesting that the issuance of two pairs of snowshoes to the fire chief at Cranbrook would have saved the lives of passengers in that disastrous crash from toxic fumes, then he is sadly mistaken or badly advised.

Surely he is not denying that we are now in a very, very serious situation. We have gone from eight to thirteenth place in the standards of world safety. In fatal accidents, by any standard you want to apply, we have at least doubled, and nearly tripled, those of the western world. For the minister to imply that there is no trouble and that we are enjoying the highest safety standards in the world is simply incomprehensible.

I ask the minister whether there has been a breakdown. I am not questioning his care and concern for safe travel in this country. But has there been a breakdown with respect to the advice he is getting from his officials regarding investigations that need to be made, new legislation that should be introduced, the upgrading of existing regulatory authorities and powers to bring them in line with transportation in the late seventies and early eighties. Where has the breakdown occurred? If he does not know, will he cause—

Mr. Speaker: Order, please.

Mr. Lang: Mr. Speaker, once again, the hon. member made a long speech about a breakdown which does not exist. Obviously, regrettable incidents will occur such as in the case of Cranbrook. The hon. member, in a quite unfair way, made some suggestion about a solution which I had never heard before. He made fun of it. It is easy to erect a strawman on any issue and then be powerful in destroying it. That is what happened. I take it that having destroyed one another over sovereignty association and phantom deficits, they are trying to find a safer issue.

Mr. Forrestall: A final supplementary question, Mr. Speaker. Could we come to a very specific issue and ask the minister if he would take concrete action and urge his colleagues in Treasury Board and the Department of Labour to get on with accepting the principle of comparability of pay, so that a new offer can be made by Treasury Board to the air inspection officers and we will not continue to lose them, thus further eroding the safety factor in that specific area? Would he please urge his colleagues to get on with it?

Mr. Lang: Mr. Speaker, I do not think anyone needs to urge this government on the principle of comparability. That is exactly the principle we are trying to assert and to see in effect for people working within the government. Obviously, that is the very basis upon which all our negotiations proceed, and that applies to every group, including air inspectors.

● (1120)

STATUS OF INVESTIGATION INTO AIR CRASH AT ST. JOHN'S, NEWFOUNDLAND

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to ask the Minister of Transport a specific question. It is almost a year since the tragic crash in Newfoundland last June which claimed eight lives.

The delay in the release of the investigation report is causing serious problems in terms of insurance claims. Can the minister tell the House why there has not been a report on the cause of the tragic air crash which took eight lives in St. John's last June?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I would have to check the status of the final report. My impression is the report was made available to the parties involved, for their final comments. I would want to check that.

Obviously, the report on the part of Transport into issues relating to safety is not necessarily decisive in relation to matters of settlement. Those ordinarily go before the courts in the usual way and quite a number of different issues arise in that regard.

Mr. McGrath: Mr. Speaker, it is a major factor in the settlement of insurance claims, and so on, and until the report is released there can be no settlement. This is causing hardship for the survivors of that tragic crash.

In view of the concern, and rightly so, that there is in the country over what is happening in the minister's department with respect to the question of air safety and the seeming inability of the department to come to some satisfactory conclusion on this whole affair, will the minister tell this House why the government does not seem to be able to, or, indeed, want to set up some kind of independent tribunal to examine the causes of air crashes? This would remove any suggestion of conflict of interest which may exist within the Department of Transport in examining these crashes, because they formulate the regulations, they enforce them, and they have to investigate them.

Mr. Lang: Mr. Speaker, I do not know where the hon. member has been. We have put forward a proposal with regard to an independent accident board. In our usual way, we have had very thorough consultations with people in the industry and with the provinces on the subject, because some of the matters involved affect them. The hon. member knows that we are moving toward that legislation. Indeed, notice of the bill is to be put on the order paper today and first reading may be given to it on Monday or Tuesday. Instead of the usual obstruction by Conservative members of the transport committee, perhaps they would be willing to move the bill forward.

* * *

FINANCE

REQUEST FOR REINSTATEMENT OF SUBSIDIES ON CERTAIN FOODS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. Yesterday, the minister was reported as saying that Canadians would have to put up with the high cost of imported food for a while to build a stronger economy for the future.

If we have to put up with the high cost of imported food, what about doing something on the domestic front? Is the government considering reinstating the subsidy on bread and skim milk powder which they took off in the last few months, as well as the subsidy on fluid milk which was taken off two years ago?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, of course we are preoccupied with the problem and we are looking at what can be done on that front. We must always balance the problem of production and prices in Canada against production and prices from abroad. As I say, we are looking at some possibilities in that regard.

In terms of the subsidies, there is concern about the expenditure level of the government, and sometimes subsidies benefit at the same time not only the poor but the rich. As was explained in this House not long ago by the Prime Minister, we have increased family allowances for the poor and we have given pensioners more money in order that they may cope with some of these problems. At the same time, we cannot introduce too many artificial distortions into the marketplace.

Mr. Nystrom: Mr. Speaker, the government gives millions to the NHL and to the pulp and paper companies, but no money is given to subsidize skim milk.

Some hon. Members: Hear, hear!

* * *

CONSUMER AFFAIRS

MEASURES TO DEAL WITH PROBLEM OF RISING FOOD PRICES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my next question is for the Minister of Consumer and Corporate Affairs. The minister is quoted as saying in June that a new food policy would be announced within a few days. On Tuesday of this week he said, again, that a new food policy would be coming within days. Yesterday, the Minister of Finance said that we must put up with higher food costs for a while, while he builds a stronger economy. Is this the food policy of the government? Is this the only thing they can come up with?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, I never said that a new food policy would be coming in a few days. I did say at different times that we would have some measures to announce with respect to food and food prices, and we did that. Last summer, the Minister of Finance asked the Anti-Inflation Board to conduct a special study into food price margins. The AIB did that and presented their report in the fall.

● (1125)

In addition, the Minister of Finance and the Minister of Agriculture asked the marketing boards to increase their production quotas in certain areas, and they did that. The measures that I referred to last summer and last fall were announced and put into effect. The fact that they did not solve

the total problem is, of course, something we are still dealing with. We will announce further measures in due course.

Mr. Nystrom: Despite that, Mr. Speaker, the price of food in this country went up by over 19 per cent the last year. The minister said he would be announcing a few new initiative in the next few days. The Minister of Finance said we must put up with the higher cost of imported food in order to build a stronger economy.

Is the government considering, as part of its food strategy or initiative, the possibility of increasing food self-sufficiency in this country, since if you take away grains we have a big deficit; in other words, promoting more growth of Canadian fruits and vegetables and a "Buy Canadian" policy which is similar to the policy of the Minister of Industry, Trade and Commerce when it comes to manufacturing?

Mr. Allmand: Mr. Speaker, the government will announce its policy when it is ready.

* * *

[*Translation*]

PENITENTIARIES

INQUIRY WHETHER GOVERNMENT INTENDS TO DECENTRALIZE WOMEN'S PRISONS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put my question to the Solicitor General.

In a speech which he delivered recently at Simon Fraser University in British Columbia, the Solicitor General stated that his department is about to close the women's prison in Kingston, a decision surely taken as a result of a recommendation made by the special committee on penitentiaries. I congratulate him for doing so because it is quite an old prison which should not remain open in 1979. Could the minister tell the House whether his department intends, while closing that prison, to decentralize penitentiaries for female convicts?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I thank the hon. member for his question. Indeed it is the main objective of the decision I announced while I was in Vancouver some ten days ago. We have, Mr. Speaker, about 140 prisoners in Kingston. We want to bring them closer to their families. That is why we are negotiating with the provinces to get them to accept readily some prisoners who are now in Kingston.

I would like to point out that the province of Quebec has agreed to keep in provincial institutions almost 58 per cent of female prisoners under federal jurisdiction. Now we want to encourage that province to accept the rest of the prisoners. As far as British Columbia is concerned, that province has already taken almost 53 per cent of female inmates under federal jurisdiction and we would like that province as well as the others to accept more. We have also been dealing with Ontario to get that province to take some more.

Mr. Beaudoin: Mr. Speaker, I have a supplementary question for the Solicitor general.

I thank him for his answer, but I am still concerned about one thing, that is decentralization. If Quebec agrees to take so many female inmates and if British Columbia takes the balance, those from the prairies and other provinces will be just as far from their families. Can the minister tell us whether he discussed with any of the western provinces the possibility of having also a penal institution in the prairies?

Mr. Blais: Mr. Speaker, given the relatively small number of female inmates, we are not in a position to provide each province with an institution. Consequently, we are trying to come to an arrangement that would achieve the avowed aim of the hon. member.

* * *

● (1130)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HIS EXCELLENCY, MR. RAYMOND BARRE, PRIME MINISTER OF FRANCE

Mr. Speaker: Before proceeding with the question period, I ask all hon. members to join with me in acknowledging the presence in our gallery of a very distinguished visitor in the person of His Excellency, Mr. Raymond Barre, the Prime Minister of France.

* * *

[*English*]

THE CANADIAN ECONOMY

DEVALUED CANADIAN DOLLAR—INCREASE IN INFLATION RESULTING THEREFROM

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance, who will recall that on November 26, 1976, his present Deputy Minister of Finance, Dr. Hood, stated that every one-cent drop in the Canadian dollar would result, over a two-year period, in 0.3 per cent added inflation in Canada.

Oddly enough the dollar on that day was at par with the American dollar. It has since fallen over 16 per cent. I ask the Minister of Finance to confirm to the House that based on Dr. Hood's calculation, the diving dollar has now cost 5 per cent extra inflation in Canada.

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I indicated on a number of occasions in the House and I confirm today that the fact that the Canadian dollar is losing ground to its American counterpart may be reflected within the Canadian economy by higher costs for imported goods, which, I repeat, is the price we must pay at this time for the new

competitive position we have gained recently and which has made it possible for many sectors of our economy to boost their production to such an extent that the pulp and paper, wood, steel, footwear and clothing industries are now operating at nearly full capacity.

[*English*]

Mr. Stevens: What is the true consequence of the minister's faulty and fiscal monetary stance and that of his predecessor? Would the minister not agree that if he had structured fiscal and monetary matters in this country properly and held the dollar at, say, 92 cents, beef on average would be selling for 22 cents a pound less, and lettuce would be selling for 10 cents a head less? I could go through several other items, but would the minister not agree that that is true?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I am surprised to see that the hon. member does not realize the progress the Canadian economy has made. The economic policies implemented by the government in 1978 resulted in the creation of some 450,000 new jobs for Canadians, which is more than in any previous year. While Canada was faced three years ago with a balance of payment deficit, it enjoyed in 1978 a trade surplus of $3.5 billion. Food costs are certainly high in Canada, but beefsteak prices in Ottawa were reported in newspapers yesterday as being lower than in Washington and 10 times lower than in Tokyo.

[*English*]

Mr. Stevens: Mr. Speaker, I asked the Minister of Finance what was the consequence for the consumer in Canada of the diving dollar and he told me everything else but what that consequence would be. The minister waxes eloquent about profits and increased opportunities for his pulp and paper friends—

Some hon. Members: Oh, oh!

Mr. Stevens: —but I would like him now to explain to the House what that means for products being sold externally. Is it not true that because our dollar is collapsing, the foreigner can now buy our produce virtually at half price?

Mr. Chrétien: Mr. Speaker, if the hon. member would go to northern Ontario, B.C., Quebec, New Brunswick and Nova Scotia, he would find that there are hundreds and hundreds of Canadians working in paper mills for good pay. The policy we have followed has put them back to work and increased the utilization of productive capacity to about 100 per cent. Let the hon. member tell them that is a bad policy.

I think that it is very important that we increase production in Canada in order to put more people to work. I have said many times that that would bring about a cost. Perhaps we have to pay a little more for some foods, but that is one of the difficult choices we had to make. We made it in order to make more jobs available to Canadians: that is our priority.

POST OFFICE

PROTECTION OF POSTAL WORKERS AGAINST UNION REPRISALS

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, my question to the Postmaster General follows exchanges in the House yesterday between the Minister of Labour, my colleague the hon. member for Vancouver South, and myself. Now that the minister has had to swallow himself in comments to the media outside this House and admit, as have some of his cabinet colleagues, that reprisals against postal workers taking place in Hamilton are not "just an internal union matter" but that the law of the land does supersede the law of the union, can the Postmaster General say what initiatives he is prepared to take to safeguard the interests of his own employees?

[*Translation*]

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, I want to reassure the hon. member that we are keeping a close watch on the way this situation is evolving in Hamilton and Toronto. However, the issue should not be confused by far-fetched interpretations of our intentions.

[*English*]

Let us be clear and not confuse the subject. The legal adviser of the Post Office is in Toronto looking into the matter to see what we can do. We also have the hon. member for Hamilton Mountain, who is a good member, pressing to see what is going on.

An hon. Member: That's a hope.

Mr. Lamontagne: I said last Wednesday that under normal circumstances, when workers cross picket lines in a legal strike situation, that is an internal matter between the union executive and the union members, but if the same union prevents a worker from going to work during an illegal strike—and especially after Bill C-8 last October—at that point I believe the union is preventing a worker from abiding by the law of the land.

We will look into this matter very closely, but at the moment I do not know any precise facts and I have heard no complaints from anyone. The only thing we can do is consult the Department of Justice and the Department of Labour and see what our legal adviser tells us when he returns.

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I would be delighted to provide the minister with all the facts he needs about this very unusual case. In order not to make a hollow mockery of the guarantees given by the former minister of justice in this House with regard to protecting those who wanted to return to work, will the minister stop the trials in connection with last October's strike and will he call for an investigation into the circumstances of the affair as described by a number of letter carriers? These trials are impairing the efficiency of the post offices of Hamilton.

Mr. Lamontagne: Mr. Speaker, I just told the hon. member that I am in contact with the Department of Justice and we are doing everything we can to see what kind of union trial is

involved. However, if the hon. member has facts and names to supply to me so that we can act, I am prepared to do so.

* * *

[*Translation*]

ENERGY

INQUIRY WHETHER MEASURES WILL BE TAKEN TO ENSURE CONTINUED SUPPLY OF OIL TO INDEPENDENT DISTRIBUTORS IN GREATER MONTREAL

Hon. Francis Fox (Argenteuil-Deux-Montagnes): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In light of the minister's answers this week in the House concerning the supply of oil and the possibility of setting quotas for this supply, in view particularly of the numerous price increases which the major oil companies have imposed on independent distributors, especially in the greater Montreal area, can the minister advise the House whether he is prepared to take the necessary steps first to ensure continued supply for independent distributors, and second to avoid the inevitable loss of these distributors to the same multinationals through continued increases at the wholesale level, which increases affect only these smaller distributors but not the distribution network of the large multinationals?

● (1140)

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, as a result of representations from the hon. member and from Liberal members—

Some hon. Members: Oh!

Mr. Gillespie: —my officials and I held a number of meetings with representatives of the industry. I have myself met with members on the supply side of the industry as well as with those affected by the situation in Quebec. I understand the situation and recognize that it is a serious one. It has been seriously aggravated by the shortages created by the Iranian situation, and undoubtely there is also a price squeeze which is affecting the profitability of the independent marketers in Quebec.

We are dealing with this question and hope to be able to provide some relief. I have received undertakings from some of the suppliers that they will revise or at least review their pricing practices. I believe my colleague the Minister of Consumer and Corporate Affairs, is also looking at this situation from the point of view of competition policy.

EXTERNAL AFFAIRS

SAFEGUARD PROVISIONS IN SALE OF NUCLEAR REACTORS TO ARGENTINA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The AECL is seeking to bid for a second nuclear energy reactor to be supplied to the Argentine.

In light of the fact that the Argentine government has not ratified the non-nuclear proliferation treaty and has so far balked at Canada's demand for full-scale safeguards on a bilateral basis, and in light of the admission by Admiral Madero, president of the NAEC of the Argentine, that the Argentine was contemplating the use of material from the first Canadian reactor sold to them for the reprocessing of material which would be used for nuclear weapons, will the minister give assurances to this House that Canada will not proceed with the sale to the Argentine of further nuclear reactors until full safeguards are secured?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I wish, as always, to thank the hon. member for having given me notice of this question. Despite its technical nature, I think I can give him an assurance on the specifics. To be more precise, the agreement we have with Argentina is specific and states that all equipment, material and nuclear material and facilities subject to the agreement—and here I am quoting from it—

—shall be used for peaceful purposes only and shall not be used for the development, manufacture or detonation of any nuclear explosive device.

The second point is that the Argentines may not reprocess any material subject to the agreement without seeking Canada's agreement to do so; and, third, in the event of non-compliance, Canada may suspend co-operation and may request that Argentina immediately cease to use any Canadian supplies. If the hon. member would like me to send him more details, I would be glad to do so.

Mr. Brewin: Mr. Speaker, I would like to put a supplementary question to the minister. I referred to a tape recording held by the Washington *Post* of an interview held with Admiral Madero who is president of the NAEC. Has the hon. gentleman's department secured a copy of that tape? Is it available and, if so, will he table it? I am told it indicates a clear intent to use the products of the first Canadian reactor for nuclear weapons purposes.

Mr. Jamieson: In view of the questions asked earlier by the hon. member and others, including the hon. member for Northumberland-Durham, I made inquiries as it was said the tape was available. Our embassy people in Washington asked for it and were denied access to it by, I think, the news person who was involved. Despite this, however, I can assure the hon. member and the House that indeed the agreement already existing prevents any use of Canadian materials for—as I believe the hon. member said—explosive purposes or war material purposes.

Oral Questions

EMPLOYMENT

JOBS FOR STADLER HURTER EMPLOYEES RETURNED TO CANADA FROM IRAN

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Has the hon. gentleman received application from the firm of Stadler Hurter to have his officials try to place the 130 employees of that company who were brought back to Canada from Iran? Most of them were directly associated with the pulp and paper industry.

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, unless contact was made through my officials, I would have to say no, it has not been brought to my personal attention.

Mr. Brisco: My supplementary question, Mr. Speaker, is directed to the Minister of Industry, Trade and Commerce. In his absence, I would hope that his parliamentary secretary is in the House.

My question is this: bearing in mind that Stadler Hurter, a Canadian company, has indicated that it is not able to pay its employees who have returned from Iran in accordance with all the requirements set out in the agreement with them, will the minister look into the fact that the Stadler Hurter parent company in the United States skimmed off $15 million directly into the United States from a company that is supported in Canada by the Export Development Corporation?

Hon. A. C. Abbott (Acting Minister of Industry, Trade and Commerce): I am sure my colleague would be able to give a more complete answer, but I think that the whole consequence of the move of Stadler Hurter and its employees from Iran will be dealt with fully. I suggest to the hon. member that most of these employees are very highly qualified and will have little difficulty settling into alternative employment. In any event, we will be looking at the settlements reached with these employees.

* * *

POST OFFICE

DAMAGE TO PARCELS AT GATEWAY SORTING PLANT

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, may I direct a question to the Postmaster General? It arises from the extremely disturbing report in the *Globe and Mail* this morning and similar representations made earlier by members on this side of the House.

Is the Postmaster General aware that one out of every 20 parcels passing through the bulk mail section of the Gateway facility in Mississauga is damaged, and that one out of 50 packages has no chance of being delivered or returned? What action does he propose to take to remedy a situation in which 3,000 packages a day are destroyed during normal times, and during the peak season, around Christmas, probably 20,000 packages a day?

[Mr. Jamieson.]

[*Translation*]

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, personally I feel one can give any interpretation one pleases to the article published this morning or yesterday in the *Globe and Mail*. This morning I had a meeting with the general directors and managers of the various postal establishments across Canada, and I think that, as far as the article is concerned, there may be room for improvements which are already under way. For instance, when mention is made of a 10-foot drop from the conveyor belt handling parcels, I do think there is a slight exaggeration; it is merely a matter of having to change the design of the belt which should be done in the near future.

[*English*]

You know, you can interpret this in any way you like. When they say parcels are lost, it could be, for example, that books cannot be reconciled to their wrappings. At that point they say they are lost, but they are not actually lost. It could be a book on "The wonderful world of the Post Office." It is not necessarily lost. It could be claimed back.

Mr. Darling: Mr. Speaker, I would agree with the Postmaster General when he says that a great many of the parcels are lost or destroyed because of the fault of the sender. I would concur with him in this, since I have had the privilege of visiting that facility.

I would like to ask the hon. gentleman whether he agrees with the report in the press that a major part of the fault lies with the design of some of the machines. I would also ask him whether he agrees that there are many more "drops" than there should be. Is he willing to give an undertaking that instead of just sweeping this matter under the carpet and being on the defensive when questioned in the House, he will look into providing remedies to the technical designs which presently require parcels to be dropped from as high as ten feet? I am not sure whether that is "high", but that is what the report says.

Will the Postmaster General now give serious consideration to this matter, at a time when 5 per cent of parcels at the facility, which handles 47 per cent of all Canadian mail, are destroyed?

Mr. Lamontagne: There is no question of sweeping anything under the rug as far as I am concerned.

An hon. Member: There is no more room, anyway.

Mr. Lamontagne: With regard to the statement that 5 per cent of the parcels are damaged, I should like to be more precise because this can be very confusing. The 5 per cent damage is related to non-commercial parcels. As far as commercial parcels are concerned—which is the great bulk of our parcels—it is only 1 per cent.

• (1150)

As far as the design of our mechanization is concerned, I can assure the hon. member that already it is planned to modify the design as soon as possible.

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FINANCE

OTTAWA—GRANTS IN LIEU OF TAXES

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, my question is directed to the Minister of Finance. Based on representations by the hon. member for Ottawa-Vanier and myself, is the minister in a position to give members of the House any further information regarding grants in lieu of taxes to the City of Ottawa?

Mr. Alexander: That is Walter Baker's question.

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I hope to be able to make an announcement next week. I should like to thank the hon. member for Ottawa West and the hon. member for Ottawa-Vanier for their representations.

Some hon. Members: Oh, oh!

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AIR TRANSPORT

USE OF EMERGENCY LOCATOR TRANSMITTERS IN AIRCRAFT

Mr. Thomas Siddon (Burnaby-Richmond-Delta): Mr. Speaker, my question is directed to the Minister of Transport. In view of the fact that ELTs installed on Canadian aircraft were ordered removed or deactivated almost two years ago due to corrosion and explosion hazard associated with the lithium batteries used to power such transmitters, and that a safe, new alkaline type battery has been developed by a Canadian company and presently is used on approximately 200 aircraft flying in British Columbia, will the minister tell the House why the inventor of this new alkaline battery has been unable to receive flight certification for his safe, new battery after waiting several months? Why has the MOT failed to reply to the inventor's request of July 22, 1978, that his battery be subjected to the required certification testing?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I would be glad to find out why progress has not been made in this specific case. In conjunction with people in the scientific and technological fields, my department has been working on the issue of developing a variety of batteries for the ELT. Something like 90 per cent of the ELTs have batteries which, while not perfect in all weather conditions, are good enough to be used.

As a result of this, ELTs are back in quite a number of aircraft and more aircraft operators are being encouraged to go that route. We are not in a position to require ELTs to be replaced because of the deficiencies in their operation and the number which still require modification. Certainly, I will look into the specific case; I am somewhat surprised to hear about it.

* * *

NATIONAL REVENUE

OBJECTION TO FORMS USED TO CLAIM CHILD TAX CREDIT

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of National Revenue. Since the minister has had over a week to look into the question of forms prepared by his department so that mothers may claim the child tax credit, has he reviewed the problem? Is the minister ready to inform the House that he will withdraw these forms, which amount to a reprehensible means test, and allow mothers to make simple declarations as is done in the case of old age pension supplements?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, I did not need a week to discover that the form was perfectly understandable and that it is being readily understood by many thousands of Canadians today. I urge the hon. member not to underrate the intelligence of his fellow Canadians.

Mr. Gillies: Do you understand it?

Mr. Abbott: Further, I point out that there are several provincial acts, such as the Alberta Rental Assistance Act and the Ontario act that assists renters, which use the Canadian income tax collection process and far more complex schedules. Over 700,000 forms are filed annually under the Income Tax Act by people who ordinarily do not pay income tax. I suggest the form is relatively simple and that it is being filled out now. If the hon. member will address himself to that and to helping his constituents rather than raising this red herring of a means test, he would do well.

Mr. Grafftey: Mr. Speaker, I can inform the hon. minister that my questions are based on the fact that thousands of telephone calls have been received by the constituency staffs of members on this side of the House. There have been literally thousands of calls.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Grafftey: Before this incredible form was put together, did the minister's department consult the Department of National Health and Welfare? If not, and since the form has been published, has the minister received representations from the Minister of National Health and Welfare to withdraw the form and allow a simple declaration as in the case of old age pension supplements? My question is based upon thousands of calls received by members on this side of the House.

Some hon. Members: Order.

Mr. Speaker: Order, please.

Mr. Abbott: Mr. Speaker, instead of using colourful phrases such as "reprehensible means test" or "incredible forms", I urge the hon. member to look at the form and he will see that the schedule is relatively simple. It asks four straightforward questions: What is the income of the wife? What is the income of her spouse? Do the two incomes, together, equal $18,000. If so, then they are entitled to enter that amount on the income tax form and receive their tax credit.

An hon. Member: How do you figure that out?

Mr. Abbott: Of course I have dealt with the Minister of National Health and Welfare on this matter; we have had several discussions. As I have acknowledged, it is true that in the rush I wish there could have been more time to advise taxpayers how to fill out the form. But at this point I dispute that the hon. member and his colleagues have had thousands of telephone calls.

* * *

ADMINISTRATION OF JUSTICE

BOEING CONTRACT—OUTCOME OF RCMP INVESTIGATION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Solicitor General. It being Friday, perhaps we can sum up the Boeing case in a few words. It is something the minister seemed totally unable to understand during four days of questioning.

Boeing has stated that it made double payments to a consultant or consultants in Canada to facilitate aeroplane sales. Boeing has admitted that the purpose of the double payments was to enable the consultant to have deposited the second payment in a foreign bank. The Solicitor General stated that he knows the name of the individual who received the payments. Can the Solicitor General now tell us what the holdup is? Is there a difficulty in finding a charge, or is it a question of jurisprudence?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I have indicated quite clearly the entire background and I do not think I have to repeat it. For the third day running the hon. member has indicated that there was a double payment.

Mr. Gillies: Boeing said that there were double payments.

Mr. Blais: I would like the hon. member to identify from where he received that information.

Some hon. Members: Oh, oh!

Mr. Blais: In terms of the investigation, the RCMP has conducted a very complete and thorough one. If the hon. member has some additional facts or some additional allegation which he feels ought to be investigated, I would be pleased to receive them. I invite the hon. member to provide me with any additional information. In terms of the information made available and allegations which have been identified, the investigation has been completed. The advice I have received indicates that there are no grounds upon which a charge could be laid.

* * *

NATIONAL REVENUE

BOEING CONTRACT—TAX INVESTIGATION OF CONSULTANT

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, the only allegation made in the House which is totally unsubstantiated by documentation is the one made by the Solicitor General on February 6 in reply to the hon. Leader of the Opposition.

My supplementary question is directed to the Minister of National Revenue. I trust the minister has been following this case with his usual accuity. Boeing has admitted making double payments in Canada. Such payments are made to enable individuals to receive the second payments in foreign bank accounts. The usual reason for the dodge is so the recipient can avoid taxes on part of his income. Has the minister had a tax investigation conducted on the individual who is well known to the Solicitor General and, if so, what were the results?

Hon A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, fortunately for the reputation the hon. member ascribes to me for accuity, if the income taxes of the individuals are under investigation, it is a matter of confidentiality and I could not answer the question.

Some hon. Members: Oh, oh!

* * *

CONSUMER AFFAIRS

COPPER—PRICE DIFFERENTIAL BETWEEN UNITED STATES AND CANADA

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Last Friday, I asked the minister a question concerning Noranda and Texasgulf raising the price of copper and doing so in such a manner that the Canadian price for copper is higher than that charged to American buyers. In view of the profit increase of 44 per cent—

Some hon. Members: Oh, oh!

Mr. Speaker: Order.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I wonder if hon. members could extend a little courtesy to the hon. member for Sault Ste. Marie.

Mr. Symes: Thank you, Mr. Speaker. I understand the Liberals have reason to be rather agitated these days. In view of the profit increase of 44 per cent in the base metals industry, which includes a 154 per cent increase in the fourth quarter over the previous year, a trend which will continue with these recent price increases, has the minister determined whether the action taken by these two companies will be disadvantageous to Canadian industry and consumers relative to the United States?

● (1200)

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, following the hon. member's question last week, I referred the matter to the people in our combines investigation branch, which is the appropriate thing to do. They are looking at the evidence, but I have not yet had a report from them.

* * *

NATURAL RESOURCES

GOVERNMENT CONSIDERATION OF TWO-PRICE SYSTEM FOR BASE METALS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources which relates to the issue of copper pricing.

Given the upsurge of base metal prices and the effect that this will have on the cost of manufactured goods in Canada, and given the strong world demand for base metals and the profitability of the companies concerned, has the government given any consideration to implementing a two-price system for base metals such as copper, lead and zinc which would enable our domestic market price to be lowered and thereby help consumers and give Canadian manufacturers an advantage over international competitors?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, on every occasion in the past when suggestions of this kind have been made, at least that I am aware of, an examination of the issue would indicate this would be counterproductive, it would not serve the performance of the Canadian economy and would be administratively very complex and difficult.

In addition, in all probability it would be counterproductive to the mining industry, an industry which the hon. member knows is highly cyclical and which is just coming out of the doldrums of depressed metal prices, prices which have been depressed by overhanging inventories and a poor international market situation. I think the trend toward firmer prices should be welcomed because this will assist the Canadian industry to carry on with its development plans.

Point of Order—Mr. Alexander

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Minister of State (Multiculturalism) (Mr. Cafik) in his capacity as deputy government House leader with responsibility for the business of the House of Commons. My question has to do with Bill C-29, the amendments to the National Housing Act, which for two weeks in a row now has been rather far down on the list of priorities of the government, according to the minister's answers.

Given the concern of the great majority of municipal governments about the delay in the implementation of this bill, and particularly the community services grants program which has such an effect on projects and planning of municipalities, will the deputy government House leader undertake to consult with the Minister of State for Urban Affairs (Mr. Ouellet) in whose name these amendments stand to see whether it can be brought forward at an early time next week? I ask this because of the concern of municipalities all across the country over the delay that has prevented for too long consideration of this legislation.

Mr. Cafik: Mr. Speaker, I certainly would be very happy to discuss this matter with the Minister of State for Urban Affairs (Mr. Ouellet). In light of the question the hon. member has asked, I hope that we on this side of the House will be able to count on the support of all members in this House in dealing with this bill in an expeditious way.

Some hon. Members: Hear, hear!

Mr. Cafik: It is quite evident there are a number of priority bills with which we have to deal. This is one we would like to deal with, and I hope we can make an arrangement, through discussion with House leaders, to deal with it at all stages in a very short, brief period of time.

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POINTS OF ORDER

MR. ALEXANDER—POST OFFICE DEPARTMENT—DISCIPLINING OF UNION MEMBERS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise on a point of order. I just want to follow up on questions asked by the hon. member for Hamilton-Wentworth (Mr. Scott). This involves a very urgent matter, Mr. Speaker. Given the fact that the Postmaster General (Mr. Lamontagne) has indicated that the Minister of Justice (Mr. Lalonde) is involved with this matter, with a trial now taking place, and given the fact that the Minister of Justice indicated at the time, as has the Postmaster General, that these employees will be assured every possible protection in the exercise of what is their legal duty to work, it seems to me it is incumbent upon the government to indicate when a decision will be made by ministers of the Crown. Obviously this is a matter of extreme urgency and we cannot wait during this procrastination and

hesitation by the government, because the trial is liable to be over before—

Mr. Speaker: Order, please. Surely the hon. member will have to justify that kind of intervention on the basis of our procedure.

Mr. Alexander: Because of its urgency.

MR. McKENZIE—USE OF PICTURE OF GOVERNOR GENERAL AND FAMILY IN LIBERAL PARTY CAMPAIGN LITERATURE

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, it was stated in yesterday's Ottawa *Journal* that Liberal election material to be used during the next federal election campaign will include pictures of the Governor General and his wife. This appears to be a blatant misuse of the office of the Governor General.

I should like to inform you, Mr. Speaker, that I am giving notice of my intention to raise a substantial question of privilege on Monday. I will ask whether this document was printed in the House of Commons, and I would like you, sir, to inquire whether it was done with the use of House of Commons facilities, whether you authorized it or, if not, who authorized the printing of this Liberal literature using a picture of the Governor General and his wife. I hope that I can be informed this afternoon whether this document was printed with the use of House of Commons facilities, as it appears to be a blatant misuse of the office of the Governor General. As I say, I intend to pursue this on Monday.

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): Mr. Speaker, in respect of the point of order being raised—and I do not believe it is a point of order at all—I would simply suggest that surely the office of the Governor General, representing Her Majesty, is an office in respect of which there is a common right of everyone in this parliament and in this country, an office of which everyone can be proud. I certainly do not think it is in any way partisan for a member of parliament to associate himself with this high office. I cannot think of a more reprehensible charge than to say someone who takes pride in the holder of that office is in any way playing partisan politics.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Winnipeg South Centre (Mr. McKenzie) has asked me to look into the matter he has raised, namely whether something was printed under the auspices of the House of Commons. I will certainly be glad to do that and provide him with the information. Whether that would in any way constitute a question of privilege, I do not know, but I will give the hon. member that information.

[Mr. Alexander.]

ROUTINE PROCEEDINGS

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY FROM SAINT-MICHEL TO SAINT-MICHEL-AHUNTSIC

Mr. Jacques-L. Trudel (Montréal-Bourassa) moved for leave to introduce Bill C-460 respecting the Electoral Boundaries Readjustment Act (Saint-Michel-Ahuntsic).

Some hon. Members: Explain.

Mr. Trudel: Mr. Speaker, as indicated in the bill, the new name suggested for this riding would better reflect the representation and distribution of the population. I feel that, because of the new geographic boundaries, the people would feel better identified if this bill could be passed giving the riding the name of Saint-Michel-Ahuntsic.

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

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Wm. Andres (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, the following questions will be answered today: 189, 238, 700, 701, 731 and 893.

[*Text*]

EMPLOYMENT AND IMMIGRATION—EXPENDITURES ON ENTERTAINMENT

Question No. 189—**Mr. Howie:**

Since April 1, 1977, what amount was spent on entertainment by the Department of Employment and Immigration?

Hon. Bud Cullen (Minister of Employment and Immigration): For the period April 1, 1977 to October 30, 1978: $336,627.20 (88 per cent of this amount is for Foreign Service Branch).

PUBLIC SERVICE SUPERANNUATION ACCOUNT

Question No. 238—**Mr. McKenzie:**

1. As of March 31, 1978, was there an excess of $9 billion in the Public Service Superannuation Account and, if so (a) in what instruments was the $9 billion invested and in what amounts (b) what is the debt series of the investment (c) what are the issue numbers of the instruments (d) what is the rate of interest on the investments?

2. What are the full details as to the portfolio buying procedures?

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of the Treasury Board): 1 and 2. As of March 31, 1978 the balance in the Public Service superannuation account was $9,041,851,849. The amount in the superannuation

account is not held in cash or invested in securities, such as bonds. The account forms part of the public debt of the Government of Canada and is recorded in the statements of assets and liabilities of the public accounts. All money credited to the account is used by the government for general government purposes with interest being credited quarterly to the account or the use of the funds.

The quarterly interest earnings of the account are calculated as if the excess of receipts over disbursements in each quarter since 1924 had been invested in long-term (20 or more years) Government of Canada bonds and as if these amounts were reinvested at current rates every 20 years. Therefore the rate for the account as a whole is the weighted average rate of the amounts so invested in respect of each quarter. At present this weighted average amounts to an effective annual interest rate of almost 7.9 per cent.

DREE—REDUCTION IN CONTRIBUTIONS

Question No. 700—**Mr. Forrestall:**

1. With reference to the $24,000,000 reduction in the level of DREE contributions, which sub-agreements will be affected in (a) 1978-79 (b) 1979-80?

2. What part of the $24,000,000 reduction will be made in each province?

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: Reductions to be made by the department relate to expenditures which have been planned for current programs, but which will not be made in the time period originally envisioned. It is anticipated that such reductions will be achieved through the cash management of programs in either of two ways:

(a) through a slowdown in spending under existing commitments for approved programs, which are largely in the form of federal-provincial agreements. This is sometimes possible because of a change in provincial priorities or because a province finds it impossible to proceed as quickly as planned with the implementation of an agreement.

(b) through a slowdown in the undertaking of further commitments for approved programs. This could mean, for example, delaying for several months a new initiative which would otherwise have proceeded more rapidly.

While the department fully expects to achieve these reductions in the aggregate, it is not possible to identify specific reductions with particular sub-agreements or provinces. Even when these reductions have been realized, they will consist of a considerable number of variances from previously budgeted expenditures, the net sum of which will accord with the over-all reduction announced by the President of the Treasury Board.

Order Paper Questions

DREE—BUDGET REDUCTIONS

Question No. 701—**Mr. Forrestall:**

Will any activities or projects be curtailed or terminated as a result of the $7,500,000 general reduction in the DREE budget and, if so, which ones?

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of the Regional Economic Expansion is as follows: Please refer to the reply provided to question No. 700, Fourth Session, Thirtieth Parliament answered this day.

GAO REPORT—U.S.

Question No. 731—**Mr. Mazankowski:**

1. Is the government aware of the detailed and extensive report recently prepared by the U.S. Comptroller-General for the Congress which stated that "it is not the current United States Policy to convert from the present customary system to the metric system"?

2. Is the government co-ordinating Canada's metric conversion programme with that in the U.S. in order to minimize any costs and negative effects for our industries and, if not, for what reason?

3. Is the government aware of a survey in the U.S. Comptroller-General's report showing that 80 per cent of the businesses in the Fortune 500 list did not expect any significant change in exports or imports as a result of the metric conversion?

4. Has a similar survey been conducted for Canadian businesses and (a) if so, what were the results (b) if not, for what reason?

5. Is the government considering a moratorium on further metrication in Canada until the positive and negative features can be re-examined in light of changing attitudes towards metrication in the U.S. as reflected in the Comptroller-General's report?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): 1. The General Accounting Office (GAO) Report to the U.S. Congress prepared by the Comptroller General, entitled "Getting a Better Understanding of the Metric System" has been reviewed by the Minister of Industry, Trade and Commerce and Metric Commission Canada.

As stated in an article on page one of the "Metric Monitor" of December 1978 on this subject:

"The United States Metric Board does not share this opinion" i.e. that it is not U.S. policy to convert to the metric system.

That the GAO has misinterpreted United States policy is further stated in a letter dated Nov. 27/78 from U.S. Congressman Olin E. Teague, Chairman of the U.S. House of Representatives Committee on Science and Technology, to Dr. Louis F. Polk, Chairman of the U.S. Metric Board. In his letter Congressman Teague states:

"It has come to my attention that the recently issued GAO report on the Metric System may have caused some misunderstanding of the legislative intent embodied in Public Law 94-168, the Metric Conversion Act of 1975 . . . contrary to the analysis in the GAO report . . . this (Act) . . . does, in fact, set forth a clear policy for metric conversion in the United States. That policy is to facilitate the conversion to metric use in our country to reduce the total cost and inconvenience to our people".

The full text of this letter is contained in the December 13, 1978 official report of the Proceedings (Issue 17) of the Senate Committee on Banking, Trade and Commerce in the evidence given by Mr. D. R. B. McArthur, Chairman of the Metric Commission Canada.

2. Yes. This is the policy being pursued as said out in the White Paper on Metric Conversion in Canada (January 1970), agreed to by the House leaders of all parties.

3. The GAO report indicated that there are more significant reasons for increasing export markets than a metric changeover such as "competitive prices, high quality, superior technology and good reputation and reliability" but this does not mean metric conversion is not a factor in promoting exports. A majority (66 per cent) of the largest U.S. industrial businesses (the Fortune 500) who responded to GAO's questionnaire believe metric conversion is inevitable and would facilitate trade through a common measurement language. The breakdown of responses to the GAO question as to whether metric conversion will increase or protect the present amount of exports and work overseas is: 27 per cent (agree), 32 per cent (disagree), 23 per cent (does not apply), 18 per cent (no basis to judge).

4. One of the first activities carried out by Metric Commission Canada in January and February 1972 was to conduct a survey on the expected effects of metric conversion on Canadian businesses. A letter-questionnaire was mailed to about 100 national associations. Seventy-eight associations replied. One of the questions asked was:

"To what extent must your program be planned to take account of developments in metric conversion in the United States"?

(1) Is this relationship controlling?

(2) If not, can conversion be undertaken independently of action in the United States?

(a) The response to the 1972 letter-questionnaire was summerized as indicating 62 per cent of the companies responding expected to take into account developments in metric conversion in the U.S.A.

Only 39 per cent of this 62 per cent considered this relationship controlling. A good example of this is automobile manufacturing industry, and the majority of 1979 model year automobile parts are already being manufactured both in Canada and the U.S.A. to metric dimensions. Another example is the aircraft industry and here metric conversion is proceeding slowly.

About 38 per cent considered that metric conversion could be undertaken independently of action in the U.S.A. The Canadian Construction Association, the Canada Grains Council and the Fisheries Council of Canada are a few examples. Many sector plans express the view that metric conversion will assist export sales. For example sector 7.42 Sporting Goods in their metric conversion plan state:

[Mr. Horner.]

"It is felt that the introduction of SI Units will help the sporting goods industry to become more competitive in countries when metric measures have been established".

The working group on Metric Export—Import Trade (MEXIM) of Metric Commission Canada; which represents all Metric Commission Canada steering committees carried out a study in 1976 which indicated that 45 per cent of Canada's exports are metric sensitive. As a by-product of meetings of the MEXIM trade group a growing number of companies already have been identified as increasing their sales as a result of metric conversion. For instance, as a result of metric export opportunities to the United States, Canadian companies such as Intercomp Resource Development and Engineering Ltd. of Calgary, McGraw-Hill Ryerson Ltd. of Toronto, Spectrum Educational Supplies Ltd. of Markham, Science Research Associates (Canada) Ltd. of Willowdale, and Merlan Scientific Ltd. of Mississauga to name a few have exported for the first time to the United States.

5. No. The United States is proceeding with their metric conversion program and sector committees in the Canadian program maintain close contact with their U.S. counterparts. The U.S. House of Representatives recently defeated a bill seeking abolition of the U.S. Metric Board and the repeal of the 1975 U.S. Metric Conversion Act by a 4 to 1 margin which is the same margin of those in favour of the passage of the 1975 Metric Conversion Act. The first appropriation for the U.S. Metric Board passed the House of Representatives in 1978 by a 302 to 75 vote. These votes reflect the broad support for the U.S. program.

INDIAN RESERVES IN N.B.—HOUSING COSTS

Question No. 893—**Mr. Howie:**

For the fiscal year (a) 1977-78 (b) 1976-77 (c) 1975-76, what amount was paid by the Department of Indian Affairs and Northern Development for (i) new housing (ii) housing maintenance and repairs on each Indian reserve at Kingsclear, St. Mary's and Oromocto, New Brunswick?

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development):

	(a) 1977-78	(b) 1976-77	(c) 1975-76
Kingsclear			
(i) New housing	$30,000	$30,000	$20,000
(ii) Renovations	5,310	4,000	5,000
Oromocto			
(i) New housing	$10,000	$10,000	$20,000
(ii) Renovations	1,146	11,546	4,647
St. Mary's			
(i) New housing	$36,000	$20,000	$30,000
(ii) Renovations	4,354	15,000	5,000

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered.

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Wm. Andres (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, if questions 212, 589 and 779 could be made orders for returns, those returns would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that questions 212, 589 and 779 be deemed to be made orders for returns to be tabled forthwith?

Some hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

[*Text*]

"CANADIANS AND THE ARTS STUDY"

Question No. 212—**Mr. Jones:**

1. How many cities in Canada will participate in the "Canadians and the Arts Study"? Which cities are they? Was Moncton one of the cities to be awarded a grant to conduct this study?

2. What criteria was used to determine the suitability or desirability of communities for this study?

3. What is the nature and purpose of this study?

4. What was the amount awarded to each city for the purpose of this study?

5. How many people are employed in this survey? What criteria was used to determine their qualifications to conduct such a survey?

6. Who were hired to participate in this survey? What were their qualifications? How and why were these people selected?

7. How many other people applied for this program? Who were they and what were their qualifications? Why were they not suitable for these positions?

8. What are the individual salaries of each of the people employed in this survey?

9. Will the general public participate in this survey? If so, how?

10. How will this survey group determine the needs of the Moncton area with regards to the arts? How will the citizens and the city of Moncton benefit from this survey?

Return tabled.

STUDY OF PROGRAMS

Question No. 589—**Mr. Munro (Esquimalt-Saanich):**

1. To which programmes and departments was the President of the Treasury Board referring when he stated in the Standing Committee on Miscellaneous Estimates on November 25, 1977, as recorded at page 2:26 of the Minutes of Proceedings and Evidence that the government had or was in the process of subjecting "quite a few programmes and, in some cases, departments to a total review of their budgets in a form that" would be described "as being a zero based approach"?

2. What other departments, programmes, agencies or government activities have been subjected to the same kind of process to which the Minister referred?

3. Has the Department of Fisheries and of the Environment, or any of its programmes, agencies or activities ever been subjected to the kind of process referred to and, if so, what programmes, activities or agencies have been studied?

4. (a) Have any such studies and/or reviews referred to in the answer to Part 3, dealt with programmes of the Forest Fire Research Institute, the Eastern Forest Products Laboratory, the Western Forest Products Laboratory, the Petawawa Forest Research Station and/or any other programmes or agencies of the Department concerned with forestry or related files and, if so, what were the study's or studies' conclusions regarding future funding of these programmes, agencies, activities and institutes (b) did the studies or reviews indicate that funding to these agencies, programmes, activities or institutes in each case, should be increased, decreased or kept at the same level of spending, in real dollars and, if so, in each case, what was the proposed level of increase or decrease in programme spending, and in what year's dollars?

Return tabled.

CANADA COUNCIL—PERFORMING ARTS

Question No. 779—**Mr. Howie:**

For (a) 1977-78 (b) April 1, 1978 to date, what amount was paid by the Canada Council to each theatre for the performing arts or resident company in Canada?

Return tabled.

[*English*]

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

Some hon. Members: Agreed.

* * *

● (1210)

POINT OF ORDER

MR. WHITEWAY—DELAY IN ANSWERING QUESTION NO. 580

Mr. Dean Whiteway (Selkirk): I rise on a point of order, Mr. Speaker, relating to question No. 580, which has been on the order paper since November 16, 1977. It is a question concerning the Canadian unity information office. I know that the minister responsible, after having gone through three ministries, has the answer. I cannot understand why the government refuses to answer this question. It relates to the cost and the number of the various packages of propaganda put out by the government. I cannot understand why, after all these months, the government would not put the answers to those questions before the House of Commons and the people of Canada.

The government talk of restraint, but will not tell us the cost of their propaganda office. I find it reprehensible that this minister would refuse to answer my question No. 580, especially when he has had his staff collect the information yet will not release it.

Mr. Wm. Andres (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, I believe that it is not true that the minister will not allow this question to be answered. The question will be answered correctly, but it is not quite as simple as the hon. member indicates. I will look into the matter to make sure that the question is answered.

Mr. Whiteway: When?

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FEDERAL INFRINGEMENT ON PROVINCIAL JURISDICTIONS

Mr. C.-A. Gauthier (Roberval) moved:

That, in the opinion of this House, the federal government having taken advantage of the weaknesses of the British North America Act (BNA Act) to infringe on provincial jurisdictions and undermine the sovereignty of the provinces, has failed:

—to leave the initiative of constitutional negotiations to the provinces, in accordance with the spirit of Confederation, by giving them the final say in the decision-making process;

—to discuss the introduction of economic rights for all citizens in a new Constitution;

—as well as to recognize that new constitutional arrangements may be ratified only by the population of the provinces through referendum held in the respective provinces.

—Mr. Speaker, I am very glad to move a motion which will interest to the highest degree, I am sure, the House and all members, and which reads as follows, and I quote:

—having taken advantage of the weaknesses of the British North America Act (BNA Act) to infringe on provincial jurisdictions and undermine the sovereignty of the provinces, the federal government has failed:

—to leave the initiative of constitutional negotiations to the provinces, in accordance with the spirit of confederation, by giving them the final say in the decision-making process;

—to discuss the introduction of economic rights for all citizens in a new constitution;

—as well as to recognize that new constitutional arrangements may be ratified only by the population of the provinces through referendums held in the respective provinces.

Mr. Speaker, as this is perhaps the last opportunity we have to put forward such a motion before parliament is dissolved, I think it is a good thing to look back on the road we travelled and even risk a little review on the 112 years of confederation in which we find weaknesses, of course. We are going to examine closely the actions of certain people or governments who took advantage of those weaknesses and even brought them about in order to create a climate of suspicion rather than of co-operation. We will then be suggesting ways which would enable Canadians to live up to their Canadian reality in that harmony which is indispensable to people who need to live side by side with respect and honour.

I want to indicate sincerely that although it is true that all members of the Social Credit Party of Canada now sitting in this House come from Quebec and have been for over a decade the official opposition from that province in Ottawa, the fact still remains that the opposition motion I have the honour to move today is based first and foremost on economic concerns.

Indeed, in the present state of affairs nobody will deny that it is more difficult to introduce economic legislation in Canada than in any other country and that is so because of our two-tier system of government. The problem stems from the fact that successive federal governments in the past have refused to face reality, and reality is that duality and regionalism have become the predominant features of our Canadian political and economic systems.

Besides, I believe that these past few years all Canadians have been able to witness the omnipresence of those features in federal-provincial conferences. The last one—and it was a typical one in that respect—only resulted in the concurrence in two of the four points on the agenda, namely the questions of family rights and of the monarchy—two minor subjects on which both levels of government had agreed long before the conference. Indeed, the importance of recognizing Canada's duality and regionalism was raised by the Task Force on Canadian Unity in its report entitled *A Future Together* in the following terms which appear on page 115 of the Pepin-Robarts report and I quote:

Consensus on constitutional patriation and amendment plus a limited number of matters unrelated to Canadian duality and regionalism would not, in our judgment, be a sufficient response to the constitutional implications of the present crisis.

● (1220)

Mr. Speaker, I want to remind the hon. members that this was not said by the Parti Québécois or by myself, but rather by a study group which was set up by this federal government and which worked for more than 17 months at the cost of $3.5 million to the Canadian taxpayer.

It is unfortunate to have to say this, but it is a fact that every time constitutional issues are discussed, the government can only suggest minor amendments. In my opinion, Mr. Speaker, this ad hoc approach cannot bring about any long-term solutions. For instance, at the recent federal-provincial conference, the federal government seemed willing to relinquish certain of its powers to the provinces in the field of communications, more particularly as concerns the issuance of permits to cable companies, but the Prime Minister is well aware that what the provinces have been requesting for many years is to be allowed to control program contents since each province has its own special needs. I sincerely believe, Mr. Speaker, that by continuously sticking to such a stand, the government is making this whole country dance on quicksand.

We of the Social Credit Party of Canada believe that the time has come to replace the British North America Act with a new constitution, the first one that the Canadian provinces would establish for themselves, which would include economic rights for all citizens, would be submitted to the approval of the population of each province and would therefore better correspond to the present situation. Indeed, this is what we want to explain today in this House, first of all by proving that the British North America Act is not an obstacle to the enactment of a truly Canadian constitution because this act can be repudiated today by Canada for the same reasons that it should have been in 1867 if we had been more careful. Secondly, we will clearly demonstrate the central government's

persistent invading of provincial jurisdictions and its marked tendency to invoke the British North America Act to justify its misbehaviour, that is its obstinate refusal to exercise the specific authority provided for in this act. Once the need for a new constitution will have been shown, we are going to explain the basic elements of it and, finally, the need for that constitution to be approved by all citizens of the ten provinces by way of provincial and not federal referenda.

With regard to the British North America Act, I would say, Mr. Speaker, that as far as we are concerned, we consider it as an act passed by the British Parliament in London. But that is not where the problem is. Actually, all the hon. members in this House know quite well that the statement of reasons is an important part of any bill since it is useful for the understanding of the legislation, but when it comes to a private bill, it is essential that all allegations in the statement of reasons must be confirmed by reliable witnesses. The British North America Act was a private bill with reference to the parliament which adopted it because that Act did not concern the whole of the British Empire but only the three colonies named in the Act, Canada which included two provinces, Nova Scotia and New Brunswick. That act was also of a restricted nature because it applied only to North America.

Mr. Speaker, we believe that the statement of reasons or preamble of any bill is very important because the terms of that preamble must be logical, and in accordance with the facts and any bill can be rejected if it can be established that such conditions have not been fulfilled. We have dealt with that aspect of the bill before the committee on the constitution during the summer recess.

Let us consider now the first condition with respect to the preamble. The language used in the preamble is quite illogical. And before going any further, I would like to read the first two paragraphs of the preamble of the British North America Act, and I quote:

> An Act for the Union of Canada, Nova Scotia and New Brunswick, and the Government thereof; and for Purposes connected therewith.
>
> Whereas the provinces of Canada, Nova Scotia and New Brunswick have expressed their desire to be federally united into one dominion under the Crown of the United Kingdom of Great Britain and Ireland with a constitution similar in principle to that of the United Kingdom.

I am puzzled when I read "with a constitution similar in principle to that of the United Kingdom" given the fact that we have been told in committee that the United Kingdom has never had a written constitution. The United Kingdom does not have a written constitution! I therefore asked how Canada could have a written constitution similar in principle to that of the United Kingdom and I received no answer and I am still waiting for one. Do we actually have a written constitution?

Before going any further, Mr. Speaker, it is necessary to define two expressions: One is "federally united" and the other is "into one dominion". Are these expressions synonymous or are they the antithesis of one another? In his legal dictionary, Bouvier says that the expression "federal government" means the creation of a union or a confederation of sovereign states by virtue of a treaty or by mutual acceptance of a federative constitution. However, Mr. Speaker, this definition clearly establishes that sovereignty must precede the creation of the confederation and that the federal union is possible only with the consent of the states cosignatary to that constitution.

Let us get back now to the expression "into one dominion". Regarding this matter, I would like to point out that section 18(3) of the Interpretation Act of 1889 states that the word colony means any one of the dominions of His Majesty. It therefore appears that a dominion was no more than a colony. Mr. Speaker, could it be that these definitions indicate that a federal union and a dominion are opposed in principle and that one is the contrary of the other? How then could the provinces of Canada, Nova Scotia and New Brunswick federate themselves into one dominion? Is there not an obvious contradiction at this point? We are then wondering whether the terms employed in the outline of the stated purposes are in conformity with the facts.

● (1230)

In other words, have the provinces really expressed the wish to form a dominion according to the federal principle? Apparently not. And proof of this is this statement of Sir John Bourinot appearing in Chapter VIII, page 125, of his book "Canada Under British Rule", and I quote:

> It is interesting to note that in the original bill, the United Provinces were called the Kingdom of Canada, but in the bill brought before parliament subsequently, they were called the Dominion of Canada.

And Sir John A. Macdonald himself said to the author that this amendment did not originate with colonial delegates but with the imperial minister. It is therefore obvious that the British North America Act reduced our country to the status of a colony. Canada did not become a federal union of a confederation but a colony under the name of Dominion.

It now seems obvious that the terms dominion and colony were similar, that in order to have a federal union, an agreement was required among the provinces, that no pact or agreement was entered into by them. It was said that a federal union or dominion was impossible, that the provinces did not express the wish to become a dominion within a federal union. Following all those inconsistencies, I wonder how the appropriateness of the BNA Act preamble can be demonstrated. Furthermore, if it cannot be demonstrated today, how could it have been possible in 1867? Therefore, the bill should have been rejected.

In that case, we, of the Social Credit Party of Canada, contend that the British North America Act is invalid. And it is not the first time we make this statement in the House as, in 1938, the Social Credit member for Jasper-Edson, in Alberta, Mr. Walter F. Kuhl, raised the same arguments which were never seriously refuted. He reached the same conclusions as we

did. It is perhaps time the representatives of all Canadian provinces listened to those who are in no way responsible for the disastrous situation facing us today.

To conclude this part of my speech concerning the British North America Act, I should like to quote the evidence given in 1935 by Beauchesne, a clerk the House of Commons, before a special committee on the British North America Act, as reported on page 131.

It is true that if we apply to the British North America Act the same principles that apply to ordinary laws, it must be said that this act does not constitute a pact between the provinces. This act was passed by parliament and does not contain even the substance of every resolution adopted in Canada or in London before it was passed by the British parliament which added to it some sections that the Canadian provinces had not asked for.

And further:

According to me, the Assembly should not sit in Ottawa . . .

—Outside of Ottawa—

. . . so that the federal authority will not appear to control or influence it . . .

The Assembly might also ask itself if it would be appropriate to change the Dominion into a Kingdom . . .

Since 1867, provincial rights have given rise to much controversy. When a new constitution is drafted, it will be necessary, it seems, to amend the distribution of powers between the Dominion and the provinces.

As one can see, Mr. Speaker, 40 years ago such sensible men as Messrs. Beauchesne and Kuhl had found a solution to our problem. What devilish force could prevent the nations making up our country from developing along the lines of that solution? It is high time we asked ourselves some questions. At this stage, I would like, if I may, to ask the hon. members to give me a few more minutes of their attention, because I am coming to the gist of my argument.

As a matter of fact, Mr. Speaker, I have demonstrated earlier that sovereignty was the requirement of those provinces willing to enter into a confederative pact or a federal union. But what is the meaning of that sovereignty? Here again, I will refer to the second volume published by the task force on Canadian unity, because, if I am not mistaken, it is much more for us than for any other that the task force has clearly defined the terms of the debate. If this dictionary is not used by the legislators who sponsored it, I sincerely wonder who will use it? So, on page 14 of the book *Coming to Terms The Words of the Debate*, we find the following definition of the term sovereignty:

Sovereignty came to mean the right of the government of a state to decide in the final recourse, internally and externally, on the direction to give to its own collective actions, a right generally considered to be absolute in legal terms.

Now, Mr. Speaker, I would like to stress that according to this definition sovereignty is an absolute right. Therefore, sovereignty admits of no restriction or quantification. A province cannot be more or less sovereign. It is either sovereign or it is not. Similarly, if sovereignty already legally recognized has to be negotiated, something is wrong, Mr. Speaker. First, let us see if the sovereignty of the provinces has already been legally recognized.

[Mr. Gauthier (Roberval).]

In fact, provincial sovereignty is a vested right since 1867 and was recognized by all governments even up to 1942. In support of this, I will refer to the 1942 agreements entered into by the then minister of finance in the Mackenzie King government, when Quebec agreed to waive for the duration of the war its direct taxation fields which were its exclusive right. It says here, and I quote:

Whereas in order to allow for a maximum war effort on the part of Canada it is necessary that the federal parliament alone have the authority to levy directly personal and corporate income taxes . . . Whereas the Canadian government recognizes that the province, by entering into this agreement, relinquishes or waives no part of its sovereignty nor any of its constitutional rights, powers or privileges . . .

● (1240)

Mr. Speaker, I would emphasize this is a most important document in our wartime national history and especially in provincial history thereafter, and it specifies that the province of Quebec relinquished no part of its sovereignty. This therefore is evidence enough that such an absolute right was formally recognized to the provinces. In addition to supporting my suggestions that sovereignty has been a recognized right of provinces since the very inception of confederation, that section I of the 1942 agreements also explains why federal-provincial conferences have been increasingly less productive since 1942. The reason is the high robbery type of action by the federal government in refusing to give back the direct taxation fields borrowed from provinces for the duration of the war. And further, it took advantage of those new tax fields to get involved in matters of provincial jurisdiction such as education, health, agriculture and so on. Deprived of their main source of revenues, the provinces had no choice. They had to join the famous shared-cost programs where Ottawa was remitting one third only of the tax money it was collecting in the provinces, because it was either that or nothing. And what is Ottawa doing now? It is gradually stepping out of those shared-cost programs, leaving provinces with all the responsibility without giving them back the total fiscal points that go with it, those fiscal points that were borrowed in 1942.

Therefore, from that one third they were getting, the provinces' share is now reduced to nothing. Only yesterday, Mr. Speaker, we witnessed one such atrocity when Bill C-2 passed. The federal government got out of that two years before due date; it stopped helping the construction of a medical research centre, without any indication it was giving back to the provinces the funds needed to finance the whole of these programs. There are also measures such as Bill C-14, under which the names of 250,000 jobless Canadians were struck from unemployment insurance lists, and abandoned to the care of provinces—

Mr. Lachance: We are paying for that!

Mr. Gauthier (Roberval): No, you no longer pay. These unemployed are not on the lists anymore. The provinces must take care of them.

Mr. Lachance: We pay 50 per cent.

Mr. Gauthier (Roberval): You save 50 per cent and you do not give any tax point in return.

An hon. Member: No.

Mr. Gauthier (Roberval): Actually, you pay 50 per cent but you charge 100 per cent—either through social welfare or through another form of provincial assistance. Here again the federal government has not given a penny back on the sums it received. The government is trying to convince the public it is a good father and there are even some French-Canadians in Quebec who believe that, they really do. How stupid! The federal government constantly robs the provinces and undermines their sovereignty. As a matter of fact, what is the use of having individual, linguistic, cultural or any other kind of rights if you cannot invoke them? That is the present situation in the provinces, Mr. Speaker. In general, the constitutional issue may sound more like empty words than anything else but in fact it is quite another thing. You can believe me because I am speaking from experience. As I have just shown it is primarily a money matter. I will not go any further on that subject since one of my colleagues intends to speak about that this afternoon. Mr. Speaker, in the few minutes remaining of my time, I would like to—

Mr. Deputy Speaker: Order, please. I regret to inform the hon. member that his time has elapsed. However he may go on with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hon. member for Roberval (Mr. Gauthier) may proceed.

Mr. Gauthier (Roberval): Mr. Speaker, I wish to thank all hon. members for allowing me to conclude my remarks.

Mr. Speaker, I hope hon. members will finally understand why we of the Social Credit Party of Canada have tried so hard for 15 years even more to defend the provinces against the federal government's invasion. We have done that under all governments; we are not putting the heat on this one for the sake of it, we have done it with all governments. We did so for Quebec first since we represented that province. However, it should be recalled that the Social Credit members from other provinces who sat in the House in the past, used to speak the way we do today.

Mr. Dawson: They have been defeated!

Mr. Gauthier (Roberval): I am told they have been defeated. They were not defeated by the people but by the financiers. These provinces like Alberta had no debt at all at that time and now they have record deficits.

In fact, any time we defended something we hoped to be able to convince members in the House that they represented above all the interests of citizens of their riding and of the province in Ottawa and not the interests of their political party. Obviously, despite all our good will, we are not in a position to overcome barriers such as partisan politics which have prevailed since the beginning of confederation. I believe that this was done to the prejudice of Canadians who today are faced with a crisis which gradually built up and that was hidden from them by their Ottawa representatives over the years. I could quote hundreds of examples, Mr. Speaker. I shall give but one or two:

I can recall the way we fought when Bill C-110 on students loans was introduced. I would like to quote an article by Mr. Paul Sauriol published in *Le Devoir* of July 15, 1964. As you can see, that was some time ago.

On Monday the House of Commons was nearly unanimous in moving first reading of a bill on student loans; in fact, the resolution was adopted on division because the Social Credit Party is against that new federal interference in provincial jurisdiction.

There again they should have given back to the province the tax points they had borrowed, but they use it directly on students, for education purposes.

. . . three of the four opposition groups joined the Liberals to approve that measure. This vote makes it possible to give a better interpretation to some recent speeches on co-operative federalism.

It is now clear that if all opposition parties had then voted against this and other similar legislation, the provinces would not have such a long way to go to reestablish their sovereignty. In 1966, another *ultra vires* legislation was adopted by the House, namely Bill C-227, to authorize the payment of contributions by Canada toward the cost of insured medical care services. That is still another area in which they have interfered. They said at the time that they would contribute 50 per cent, but they are taxing at 100 per cent. Another interference which prompted me in the House to make a prediction which unfortunately came true in the following years. This took place in 1966, and my prediction is coming true 12 years later. Here is the statement which I made in the House on October 17, 1966:

Mr. Speaker, I feel that as far as the Canadian community is concerned, its days are numbered unless we revert to a more honest dialogue. Federal-provincial conferences were invented in an attempt to dialogue, but one soon realizes that the federal delegates flaunt an obvious lack of good will. Whereas several provinces have voiced serious objections to the present bill, the government proceeds as if nothing had happened.

Just like today, exactly like today! Mr. Speaker, that is the prediction I made then, and those hon. members who are honest will have to recognize that this is still the case even today. Mr. Speaker, later on things went from bad to worse. As a matter of fact, the era of centralization was followed by an era of supercentralization under this Prime Minister (Mr. Trudeau). From then on, that is from 1968 on, Ottawa has not only been robbing the provinces of their wealth, it has been

harassing them and trying to provoke confrontations by all means.

To begin with, in 1973, this government launched an official language policy which was sound in principle but which was implemented in such an inconsistent and incompetent way, especially in the Public Service, that it sowed discord throughout Canada and pitted English-speaking Canadians against French-speaking Canadians. Besides, this strategy is being phased out in the sense that we have now reached the ultimate stage with the lay-off of 600 language teachers five years before the anticipated date under the pretence that there is no longer any demand for courses and that the Public Service is now completely bilingual. This matter has been settled! Let's see! Once more, the Social Credit Party of Canada is the only one to fight openly for these teachers and above all for the rights of our French-speaking Canadians.

So, after having launched this stategy in 1973, the Prime Minister entered the second stage and began treating the provincial premiers as *minus habentes* at federal-provincial conferences.

In 1976 particularly, this same Prime Minister began playing with the idea of repatriating the constitution, one thing he knew Canadians of both British and French origins would never agree upon. This created confusion, Mr. Speaker. Only a small spark was necessary to set up a conflagration. And what could have best suited the purpose than chastising the people of Quebec by insulting their premier publicly, saying he was a hot-dog freak? How can you explain otherwise that seemingly irrational gesture of a strategist of the present Prime Minister's stamp? Furthermore, this increased his prestige among the English-speaking elements of the country who saw in him the man capable of subduing the Quebeckers. This way, he killed two birds with one stone.

Once again sensing the great danger that was threatening provincial sovereignty, we, of the Social Credit party, in conformity with our action in previous years, took the following position which was to become the basis for the constitutional policy of our party afterwards, and which I stated clearly in this House on April 9, 1976 in the following terms, and I quote:

> We, especially Quebeckers, demand power of veto for our provincial government. We want it to demand not only constitutional guarantees in education, that is French language and culture, but also territorial and every other guarantee . . . Indeed, Quebec will accept only one right that is its right of veto on anything affecting the interior of Quebec and the unanimous consent of all provinces for anything that concerns Canada.

Mr. Speaker, in conclusion, might I say that is still what we, of the Social Credit Party of Canada, are asking today for Quebec and all the provinces of Canada.

● (1250)

[*English*]

Hon. John M. Reid (Minister of State for Federal-Provincial Relations): Mr. Speaker, it is about five minutes before one o'clock. Perhaps the House would call it one o'clock and we could begin again at two o'clock.

Mr. Deputy Speaker: Is it agreed that we call it one o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Then I do now leave the chair until two o'clock this afternoon.

At 12.55 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

● (1410)

[*Translation*]

Mr. Reid: Mr. Speaker, I listened to the speech of the hon. member for Roberval (Mr. Gauthier) with great interest, hoping that he would throw more light on his proposals. But I listened in vain. He made a long speech on our constitutional history and matters of sovereignty without, however, saying much about the motion he put before the House.

The elements of his speech are indeed worthy of a long debate, and doubtless there will be one some day. However, I am sure he will forgive me if I limit myself today to speaking to the motion. Mr. Speaker, what does that motion say?

[*English*]

I think I should read the motion into the record of the House since the hon. member was not interested in doing so. Let me read what we are debating today:

> That, in the opinion of this House, the federal government having taken advantage of the weakness of the British North America Act (BNA Act) to infringe on provincial jurisdictions and undermine the sovereignty of the provinces, has failed:
>
> —to leave the initiative of constitutional negotiations to the provinces, in accordance with the spirit of confederation, by giving them the final say in the decision-making process;
>
> —to discuss the introduction of economic rights for all citizens in a new constitution;
>
> —as well to recognize that new constitutional arrangements may be ratified only by the population of the provinces through referendums held in the respective provinces.

At the outset I would like to indicate there are a number of things in the resolution with which the government has no quarrel and with which it is in agreement. Also there are a number of items with which the government is not in agreement.

Let me take the last proposition first, the question of a referendum as a means of ensuring that the population has the ability to decide whether constitutional amendments are accepted. This is not a proposition to which the government takes objection at this point in time. We have no position on whether a referendum should be used as a means of indicating the popular support for a series of constitutional amendments.

The position taken by the goverments that constitutional negotiations are well under way, that the traditional method of finding a solution to our constitutional problems should be followed, and whether a referendum is required or indeed necessary by the 11 governments of Canada is a question on which we have an open mind.

As hon. members know, the House of Commons recently gave second reading to Bill C-9, which is the federal government's proposition on a constitutional referendum. On that basis of fact, we are satisfied we will have that kind of weapon in our armament. We have not closed the door to the use of it for this kind of purpose, and indeed perhaps it could be used for this kind of purpose. But at the present time we have not made any determination. We believe the means of developing an amending formula would be a question of negotiations between the provinces and the federal government. At this time we feel it would be unseemly for the federal government to insist upon a particular formula for amending the contitution and thereby imposing it on the provinces. In fact, what has been going on in the constitutional discussions held with the provinces has been a precise and detailed exploration of possible formulae for amending the Canadian constitution.

As hon. members are well aware, at the present time the legal situation is that if the House of Commons and the Senate pass an address praying that the British parliament pass amendments to the British North America Act, in fact the British parliament will do that and the British parliament will not look behind the address to ensure the provinces of Canada have agreed to such an address. Their position is that the power to make constitutional amendments affecting the division of powers is that of the federal government. That is the constitutional provision as it exists today in the British North America Act.

We have proposed a number of formulae to the provinces as methods of amending our act. I suppose the most famous is the Victoria formula which would provide for agreement among a certain percentage of the population and certain agreements by provinces in particular regions. As the formula works out, it would require the assent of two provinces in the maritimes, two out of the four provinces in the west, and the assent of Quebec and Ontario, mainly because of the manner in which the Canadian population is spread from coast to coast.

If one takes a look at the manner in which the population is spread from coast to coast, one comes up with an unenviable situation: approximately 30 per cent is found in Ontario; approximately 25 per cent is found in Quebec; approximately 10.8 per cent is found in British Columbia; approximately 8 per cent is found in Alberta; Manitoba and Saskatchewan each have approximately 5 per cent of the population; Prince Edward Island has .1 per cent of the total Canadian population; and the populations of Newfoundland, Nova Scotia and New Brunswick range between 2 per cent and 3 per cent. When one attempts to find an amending formula which will be just to all components of the country, one will discover there is no easy formula.

One of the formulae developed in the recent constitutional talks is what we have dubbed the "Toronto consensus" because it emerged out of our constitutional discussions there. The formula provided for a factor of 85 per cent of the Canadian population represented by two-thirds of the provinces. Also it involved two lists: a precise list where there must be unanimity when dealing with the question of natural resources and the amending formula itself; and a second list on which the second formula would apply.

We have had great experience in Canada with formulae to amend the Canadian constitution. What is the current status in terms of the recent constitutional conference? The current status is that the premiers came into this conference bound by the rule of unanimity. In other words, they would not agree on anything unless there was unanimity among the provinces. The federal government feels that on balance this is a policy which is an extraordinarily restrictive formula for amending the Canadian constitution.

Mr. Beaudoin: That is the puzzle.

Mr. Reid: I agree that unanimity requires perfection. We are human beings, we are not perfect. In some ways the hon. member is fortunate enough to come from a small caucus. He knows how difficult it is, even within his own caucus, to reach unanimity on many subjects. We on this side of the House know how difficult it is for us to reach unanimity on many subjects. None the less the premiers have bound themselves by the rule of unanimity. They have said in fact to Canadians that unless they can reach unanimity on all these subjects, they are not prepared to move.

• (1420)

I believe that if hon. members had looked at the results of the last conference of first ministers held on Monday and Tuesday of this week, they would have discovered that on almost all items we were dealing with a consensus of eight or nine provinces and the federal government. This is a significant level of agreement, it seems to me, Mr. Speaker. When you have eight or nine out of 11 governments agreeing on a series of propositions, that is significant agreement in principle.

I would go further and point out that had we adopted the Victoria formula, had we adopted the Toronto consensus, or had we adopted the American formula of three quarters of the states agreeing, people would have said this conference was a fantastic success because we would have had agreement on almost every item that was under discussion by the first ministers. In point of fact, because the provinces have bound themselves by the rule of unanimity, having said that all 11 governments must be unanimous before they will proceed the conference was seen as only a half success.

As a result of this rule of unanimity we must have more meetings of first minutes and further meetings of the continuing committee of ministers on the constitution. There will have to be a further meeting of first ministers, I would expect some time within the next eight months. At what time and at what

place I cannot say, but I would think that the continuing committee of ministers on the constitution, which met three times, at Mont St. Marie, at Toronto and at Vancouver, plus an extra meeting of officials in Ottawa, will have—

An hon. Member: Why don't you meet in Quebec City?

Mr. Reid: I would think Quebec City would be an ideal spot.

An hon. Member: And Roberval.

Mr. Reid: Roberval, perhaps, but Quebec City attracts me. To get back to the point, we will require further meetings and discussions to see if we can refine the proposals we have made down to the point where we can deal with them all in a unanimous spirit. I want to point out to the House that this is not going to be an easy task since there are provincial governments which disagree with the propositions that have been advanced because they do not go far enough, or because they go too far.

I would point out to hon. members that the federal government on almost all items was part of the general consensus, and there was a feeling that the federal government, which had been considered to be too rigid in its approach to constitutional changes, had become much more open and much more receptive to the need for constitutional change.

The hon. member for Roberval (Mr. Gauthier) mentioned quite explicitly the Pepin-Robarts report. I take seriously the comments he made in terms of Pepin-Robarts. I used the lunch hour to go back over the propositions that had been suggested by Pepin-Robarts and to compare them with propositions that had been dealt with by the first ministers at their conference. I am prepared to say to hon. members that if they will look at what was discussed and at the texts they will find that in many cases the negotiations which had taken place on the part of governments before the Pepin-Robarts report came out were right along the same lines advocated by Pepin-Robarts.

For example, in respect of the Supreme Court, we had already come to the conclusion that the proposal advanced by the federal government in Bill C-60 was not appropriate and, that the proposition advanced by Pepin-Robarts was also not appropriate. Therefore, we are out of synchronization on that. But there were a number of other propositions, such as the one on natural resources, where we have gone far further through transfer of power from the federal government to the province than Pepin-Robarts advances. I think if you looked at all of these proposals, Mr. Speaker, and if you were to weigh them on the balance scale, you would propably find that we are, indeed, going along the same line as Pepin-Robarts.

I want to make it clear to members of the House that these actions were taken prior to the Pepin-Robarts report coming out. Furthermore, I think I should offer the opinion that, in terms of the over-all thrust of Pepin-Robarts, I feel that if Canadians could accept the analysis and diagnosis of Pepin-Robarts—not the recommendations but the analysis and the diagnosis—as a starting place for our discussions on national unity, and as a starting place for our discussions on constitutional change, we would for the first time in Canadian history have an opportunity, on the part of 11 governments and all people from coast to coast, to begin discussions on a very common basis in fact.

Some hon. Members: Hear, hear!

Mr. Reid: Having been involved in these discussions for the last three months, that to me would be a significant improvement in the way in which Canadians have approached this very thorny problem.

The second opinion I want to offer on the Pepin-Robarts report is that, on balance, I feel I could personally accept the prescriptions advanced by Pepin-Robarts. My interpretation of their recommendations is that involved is a transfer of power from the federal government to the provincial governments in certain areas, but also an equal transfer of power from provincial governments to the federal government in certain spheres, that what Pepin-Robarts was seeking was a new balance in confederation. Consequently, looked at from that point of view—

An hon. Member: What have you to say about the statut particulier?

Mr. Reid: I want to deal with that in a minute. If we accept that kind of idea of transfer, as I say, I would be inclined to go along with Pepin-Robarts, if the provincial governments were prepared to do so. I think the concept is ideal, and I would be prepared to buy the total package because I believe on balance it would leave the provinces stronger in those areas where they want to be stronger. We would also have a stronger federal government in areas where I believe the federal government ought to be stronger.

I want to deal with the statut particulier, and I want to deal with it in terms of Pepin-Robarts as well. I do not see where Pepin-Robarts recommended a statut particulier for the province of Quebec or, indeed, for any other province. What they did say was that any government is free to exercise powers coming under its jurisdiction or not exercise them, and the fact that it may not exercise such powers is not a reason for any other government either to move into that sphere or not exercise its powers. In other words, governments are perfectly able and free to accept or to reject the opportunity the constitution obliges. For that purpose, if you look at areas of jurisdiction that are under provincial control, including education and welfare, you will see that each province has developed its own idea as to how to cope with these specific jurisdictions, and that is all to the good.

I think it is unfair for people to say that Pepin-Robarts recommended a *statut particulier*; in my judgment they did not. What they indicated was that certain areas of jurisdiction should be turned over to the provinces, particularly in the cultural field, and if the provinces chose to exercise that jurisdiction or not exercise it, or to transfer it to another body, that was perfectly within their powers. I accept that as the reality of the Canadian constitution today.

For example, we have that relationship between the federal government and Quebec at this time, and I would give two examples. The first example is that in terms of income tax, the federal government collects taxes for nine provinces and remits that taxation to the provincial governments. However, in the case of Quebec, it has chosen to collect its own provincial income tax, which it has a perfect right to do. The second area in which I think there is a difference is in the realm of family allowances, which again is perfectly natural and acceptable under our constitution. There is no reason why any other provincial government should not avail itself of such opportunities as well. I reject the suggestion that Pepin-Robarts has indicated a *statut particulier* for Quebec.

I want to deal with the question of language rights for minorities. This is a very important subject. I am one of those who believes that this is a guarantee to the Francophones of Canada that their particular linguistic rights and right to survive as a cultural entity would be preserved across Canada. I believe that it would be a disaster for this country if we did not have those linguistic rights protected outside of Quebec, because it would force all Francophones into a fortress Quebec, which would be disastrous for the future of Canada. The Pepin-Robarts report states, quite emphatically, that the ideal solution would be to have those linguistic rights embedded in the constitution, a proposal which the current government has made in its Bill C-60 and with which we have no quarrel.

• (1430)

But in a burst of what one may call real politics, the Pepin-Robarts group decided that that was unlikely to happen and, therefore, second best—not first best, but second best—would be to have the provincial governments pass language legislation. I want to point out a number of things to hon. members in that regard. The first point is that the only province at this time which is bound by the constitution to provide second language rights is the province of Quebec. The second point I want to make is that there was an attempt in the province of Ontario to proceed with a statute dealing in general with language rights, but it was not accepted.

I think that one can argue reasons for that which are understandable to people who are active in Ontario politics, but the point is that there is only one province that is bound by this obligation. It seems to me that there is no way that I as a federal politician can travel around this country and say that it is all right for Quebec to be bound by these services but that the Francophone minorities in other provinces should not have the same rights as the people who speak my language in other parts of Canada.

Some hon. Members: Hear, hear!

Mr. Reid: Therefore, Mr. Speaker, I disagree violently with the position taken by the Pepin-Robarts report. I think that they would have been wiser and would have done us all a greater service if they had stuck to their original proposition, which to me is the only valid one. It seems to me that in discussing constitutional renewal and the question of providing assurances to minority linguistic groups, we must as part of the majority not only be seen to be fair, but must make it clear that we are prepared to go overboard to be fair. Because all minority groups, wherever they are and under whatever circumstances they may be, have this fear that at any point in time the majority can turn against them. What we want to do is ensure that these people have their rights embedded as deeply as possible in the constitution, so that their rights are totally protected. I think that is the one area of substantive disagreement which I have with the Pepin-Robarts report.

I have one further point to make, Mr. Speaker, and that is to discuss the workload that the first ministers have undertaken. As hon. members know, when the conference broke up there was substantive agreement on almost every other item but there was not unanimity. At some point members of this House will have to face the question of what the rule of unanimity means and whether or not we are going to be able to move forward with substantive constitutional reform. For as long as one province has the power to block all others; then it seems to me that, while this may be convenient for the provinces concerned, it can have a deleterious effect on the country as a whole.

We as national politicians must think at all times of the welfare of our country as a whole. Those items which were discussed in the constitutional conference by the first ministers and not resolved will form part of the agenda of the continuing committee of ministers on the constitution.

In addition to that, the Prime Minister (Mr. Trudeau) stated that the second list which was announced by my predecessor at the constitutional conference of first ministers in October would also be put on the table. I would like to run through that list to give hon. members an indication of the kinds of things that the federal government is proposing be discussed. It is important to remember that the first list which we went through on the division of powers was a list proposed by the premiers at Regina. The federal government accepted that list and also agreed to have intensive consultation, through the same process with the premiers, on the items in Bill C-60 with which they had some disagreement. That obligation has been discharged.

I would now like to read the second list presented by the federal government. I will read it out seriatim and then say a few words on each item. The first item deals with powers in the economic field to fight inflation, unemployment and regional disparity and to protect the dollar. The second item is the question of non-tariff barriers to interprovincial and international trade and investment. Third is the question of interprovincial and international movement of goods and services, including the right of passage of electricity, oil, gas and other minerals. Fourth is the question of barriers to the movement of persons for employment. Fifth is the regulation of competition. Sixth is the regulation of the Canadian securities market. Seventh is the question of marketing boards. Eighth is the problem of jurisdiction over minimum wages. Ninth is foreign relations and the role of provinces. Tenth is the question of the

appointment of superior court judges and of the setting up of federal courts for the administration of federal laws. Lastly, Canada's native people and the constitution.

These are the items that the federal government has put on the agenda for the next round of discussions, in addition, as I said before, to the items that were not resolved in the previous discussions which have come to a conclusion.

I think that it is clear to anybody who has studied the Pepin-Robarts report that this list published by the federal government back in October, 1978, is virtually identical in the economic powers that it wants discussed to those items enumerated by the Pepin-Robarts report as to where the federal government should have an overriding authority in the matter of better government and better control of our economic union. It is interesting to note that the policies that have been followed by the federal government and the provinces in these negotiations have fitted in reasonably well with the proposals and the general spirit of discussion which the Pepin-Robarts report recommends.

In conclusion, Mr. Speaker, I believe that the constitutional discussions which began last fall have to be regarded as a significant step forward since we have had a significant amount of agreement amongst the provinces; and, further, that we accept basically the general propositions advanced by the Pepin-Robarts report in terms of its analysis and diagnosis of the problems which Canada is facing today. Even the Pepin-Robarts report said that while it could indicate general approaches, by and large it would be the government entering into negotiations that would determine how division of powers would be made.

I would like to say to my friends in the Ralliement des Créditistes that I think they have proposed an interesting idea in that we should think in terms of using Bill C-9, the referendum bill, as a means of seeking the support of Canadians in the process of constitutional reform. This is a proposition which the government, up until now, has not considered. But I can assure them that it will be considered by the government, and I hope that it will also be considered by the justice committee which is dealing with Bill C-9 as well.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Will the minister permit a question?

Mr. Deputy Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) wishes to ask a question.

Mr. Reid: Yes.

Mr. Knowles (Winnipeg North Centre): It is a question which is in the interest of historical accuracy. In other words, I wonder if the minister would agree that a correction ought to be made to something which he said in the very early part of his remarks. I believe that I am correct that he said that under the present system, when Canada wants an amendment to the British North America Act, we send a resolution from both Houses of our parliament to the British parliament. If the minister checks the record, I think that he will find that what we do is send a resolution from both Houses of Parliament to Her Majesty the Queen—in other words, the Queen of Canada—asking her to place a measure before the British parliament. It may seem a minor difference, but there is a difference between our addressing the parliament of another country and our addressing our own sovereign.

• (1440)

Some hon. Members: Hear, hear!

Mr. Reid: Mr. Speaker, the hon. gentleman is correct. I am pleased he has made this correction now and I thank him for it.

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, the hon. member for Gloucester (Mr. Breau) says that the Queen is part of the British parliament. I should just like to remind him that the Queen is also part of the Canadian parliament.

I can hear the jokes about Her Majesty the Queen from the other side. I hardly consider that to be a proper thing to do in this House or in this country.

Mr. Breau: A point of order, Mr. Speaker. The record will show that the hon. member for Kingston and the Islands (Miss MacDonald) mentioned my riding name. I hope she will permit me to make clear that I did not make any joke about the monarch.

Miss MacDonald: I accept that, certainly, from the hon. member for Gloucester.

I listened with some very real interest to the remarks of the Minister of State for Federal-Provincial Relations (Mr. Reid). While I was pleased to hear his speech I also considered it to be one of the telling factors about this government and the way in which their relations with the parliament of Canada are carried out.

While we had a very important first minister's conference this week which was held just across the street from this parliament, the chairman of that conference, the Prime Minister (Mr. Trudeau), did not see fit at the end of the conference to come into this chamber and make a statement on motions reporting what went on to the body to which he is responsible and accountable. Not once did he feel it necessary to get to his feet and report the findings of that conference to this chamber, or the work or the non-advance of that conference. What really interests me is that some time later in the week a junior minister is detailed to give the report that the chairman of the conference did not see fit to bring to parliament.

I was interested also in his remarks about patriation of the constitution and the fact that the premiers of the various provinces had insisted on unanimity. One of the interesting things that the Prime Minister said at that conference was—I paraphrase him because, of course, I do not have the exact words—that "we"—meaning all of the eleven first ministers there, "were in the bizarre position of having to produce

unanimity one last time in order to achieve a less flexible approach in our constitution".

So I do not think that the minister should try to pass it off that only the premiers were making that claim to unanimity. That, indeed, was the position of the Prime Minister. That, indeed, would have to be the position of anyone involved in seeking amendments to the constitution, amendments which, of course, affect both levels of government. The hon. member for Gloucester questions that, but I trust he is not suggesting that a new amending formula could be arrived at in this country by the unilateral decision of the federal government. Would the member from Gloucester like to rise and say that that is the position he is putting forward?

Mr. Speaker: Order, please. I find it difficult to accept the procedure suggested by the hon. member.

Mr. Breau: The answer is no.

Miss MacDonald: The member for Gloucester, even though he has perhaps intimated otherwise before, has now verified the position and has said no.

Sir, I would like to address some remarks to the motion which has been put forward today by the hon. member for Roberval (Mr. Gauthier). I may say that the motion as put forward by the member for Roberval is one which we in this party reject, because the suggestion in that motion really runs counter to our system of federalism. If it was carried to its logical conclusion, it could emasculate the central government and, indeed, the parliament of Canada, by leaving the final decision-making power in all things up to the provinces. Quite frankly, I was not elected to parliament to participate in its demise, and neither do I think were the members of the party that introduced this motion.

This motion does not call merely for changes to our present system of federalism in order to improve it. Rather, it suggests such drastic changes to our system of interrelated governments that we would end up little more than a very loose alliance of more or less autonomous units strung out across the country.

[*Translation*]

Mr. Speaker, I agree that the federal government acted too often in provincial areas of jurisdiction. That complaint was well expressed by the provinces themselves in the past and it should be of interest to anyone concerned with the political situation in Canada. However, the solution to those problems is not to lower the central government position to one of janitor in the present confederation. I think that would be going too far in the other direction.

[*English*]

There is the problem. It is right to ask what we can do now to put it right; but the answers will not come without a proper analysis of where the problem lies, and that proper analysis is something we have not had, either from the government or, as this motion shows, from the Social Credit party today.

That analysis of where our problems actually exist must incorporate an understanding of the reasons for the friction and the tensions which have developed between the federal government and all the provincial governments, something that has been developing over many years and certainly escalating over the past 30 years.

Perhaps the easiest way to understand what I am talking about is to look at the Canada that we had 30 or 40 years ago as it emerged from the Second World War, because that war fundamentally changed our federal system, making the federal government more powerful than ever before. The government assumed sweeping powers to regulate our economy and nationalize our resources for the war and, perhaps more importantly, for the future of our federal system. The federal government took over the great bulk of the tax resources in order to finance the military effort and that, sir, indeed was appropriate during that period of time—during the war.

But in peacetime such a system was no longer adequate for Canada's needs. We came out of the war with a very centralized system. The federal government was big. It had developed a large bureaucracy. The federal government was rich; it controlled the bulk of our tax dollars. And the federal government was already becoming arrogant; it increasingly assumed that it knew best, that the provinces were children needing strict parental guidance, that Canada would be strong only if the federal government was bigger than anyone else.

This approach, appropriate in the war years, could not last. Why is that? The critical problems facing Canada in the 1950s, 1960s and 1970s—the major areas in which Canadians were demanding action—fell within provincial jurisdiction, according to the BNA Act. There were better health and social services, enhanced education opportunities for our children, better housing and modern highways, planned urban growth and rapid transit, development of our natural resources and careful management of our environment. The list seemed endless.

• (1450)

These were the urgent problems of a mature and industrial society and they fell either exclusively or predominantly within provincial jurisdiction. As a result the Canadian federal system became increasingly out of balance. Big government was in Ottawa and most of the tax dollars were there, but the real problems were in the constitutional laps of the provinces. The result was perhaps inevitable; tension, frustration and anger.

Much of our troubled constitutional history of the last 20 years has been essentially a search for a new balance, a new equilibrium between federal and provincial governments. Because of its cultural distinctiveness, Quebec pushed forward more vigorously in this search. But many of the fundamental, underlying problems and frustrations are shared by all provinces.

The tensions as I have observed them have been particularly noticeable recently in two fields: health and social services, and natural resources. In the case of health and social services the federal government, perhaps unwittingly, helped to plant the seed of provincial challenge. In the 1950s and 1960s Ottawa

used conditional grants to cajole and prod the provinces into big programs, such as hospitalization and medicare. As a consequence the provinces had developed the expertise, the administrative capability and the self-confidence with which to challenge the view that Ottawa knew what was best for them. Conflict followed, as night follows day. The new financial arrangements between the two levels of government in this area reflect one fundamental fact: the provinces are increasingly insisting on their right to determine their own priorities and policy.

I mentioned natural resources as a second area of tension. The worldwide explosive growth in demand for resources over the last decades, a growth dramatized by the energy crisis of the 1970s, has presented Canada with both challenges and opportunities. But given the very important powers over natural resources allocated to the provinces by the British North America Act, a critical aspect of Canada's well-being depends on the skill and wisdom with which provincial governments approach resources issues. The federal government can no longer presume to be the unchallenged guardian of our economic future. There must be joint co-operation.

Canada today is very different from the Canada of 1945. It is important that we understand the forces of change. The linguistic and cultural resurgence of French Canada is one central force, but the emergence of broader provincial responsibilities is another, which has too often been overlooked.

[*Translation*]

One thing is certain, a strong and united Canada will have to find a new balance between the jurisdictions of both levels of government. We need to change our institutions at the federal level. Changes are also necessary in the distribution of powers, but it is also important to have a behavioural change in Ottawa. In the past, the relations between Ottawa and the other partners in confederation were too often marked by paternalistic and superior attitude. It is necessary to have those relations directed towards mutual respect in the future.

[*English*]

What is necessary is a new balance, a new equilibrium between the federal and provincial governments. Mention has been made in this debate today of the recently released report of the Task Force on Canadian Unity. It has some very imaginative and workable proposals that would move in the direction of which I speak. Not all of the proposals in it can be or will be agreed to, but the emphasis that that report has placed on regional aspirations and power-sharing open up options that have long been closed in the mind of the current government. Many of the options that the task force speaks about were available a decade ago when relations between the federal government and the provinces were much less contentious. For instance, policies for opting out of federal-provincial agreements or for accommodating the distinct responsibilities of any province could have acted as safety valves in the growing federal-provincial conflict. But the valves were shut, the doors were closed and the country was directed down one corridor and one corridor only by a prime minister convinced, in spite of the danger signals, that his way was the only way. The lack of these safety valves has resulted in compression of the tensions and resentment; compression to the point of explosion.

The Pepin-Robarts report suggests opening doors that long have been closed—the doors of regional expression, of more provincial input at the centre and less control of the regions. Above all, it reiterates the definitive characteristic of any federal system. They say that the definitive characteristic of any federal system is—and I hope all of us would agree with this—

—the equality of status, under the constitution, of the two orders of government—

This is a characteristic which precludes unilateral action by the federal government in matters that concern the provinces, something of which we have seen all too much in the past decade.

[*Translation*]

The Pepin-Robarts task force stresses in its report the two distinctive features in this country: cultural dualism and regionalism. Those characteristics, which are often seen as negative realities, should and must be dealt with in a positive manner. As it is said in the report, we should learn to adapt ourselves better to them, to subscribe to them, to provide in Canada as a whole such opportunities for action that everyone will be able to take advantage of them.

[*English*]

I want to look particularly at the question of regionalism which the task force has identified as one of the major sources of tension in the country, but one with great potential for strengthening the country over-all. Regionalism is given two dimensions, and properly so. The two dimensions that are identified are the cultural dimension and the economic dimension of regionalism. The report recognizes that the powers necessary to reinforce the positive aspects of the cultural dimension can best be handled by the provinces. They make certain suggestions along that line. Similarly it recognizes that the powers necessary to reduce the negative aspects of economic dimensions are regionalism, that regional disparity can best be handled by the federal government, and it recommends a strengthening of that role. That, sir, is the kind of balance that we must be seeking in this country so that federalism does operate better.

However, the reconciliation of regional interests will only come about with a central government that is sensitive to regional needs: sensitive to the fact that restraint measures dreamed up in Ottawa and uniformly applied can cripple the weaker provinces; or that indiscriminate regulation of resource industries without regard to regulations in the provinces, where much of the responsibility truly falls, can regulate those industries right out of existence. The lack of such sensitivity in Ottawa is the root cause of many of the stresses and strains in our federal system. We will not have a strong Canada until that essential sensitivity is reintroduced.

• (1500)

To become more sensitive to the needs of the provinces is not to weaken the central government to the point where we give up the dream of a Canada of shared interests and mutual responsibilities. Rather, it is to build on those shared interests and responsibilities. It is to reconcile the dual impulses of a strong united Canada and strong, diverse regions within the institutions and processes of the central government.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but her time has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: There seems to be a disposition to allow the hon. member to continue her remarks.

Miss MacDonald: I thank the House for its courtesy. This approach means remaking the central institutions to give them a new measure of legitimacy as genuine expressions of both regional and Canada-wide interests, in other words, to create a new equilibrium. I feel that has been the value of the Pepin-Robarts commission, to highlight the fact that this new equilibrium or balance, which for too long has been lacking, must be sought in order to hold this country together.

We are faced with very real problems in our federal system, problems which cry out for solution. But the problems must be analysed properly before any solutions can be reached. The facile suggestions in today's motion are not the answer. Nor is the government's referendum bill. That bill would create a new potential for federal-provincial relations. It would give the federal government the power to override provincial governments, any provincial government, and to go directly to the people on any constitutional matter that may be opposed to the wishes of a particular government. The Prime Minister (Mr. Trudeau) indicated that when he said the other day that you could not assume that this bill would not be used against the province of New Brunswick. He singled it out particularly.

Mr. Breau: Against the government, not the people.

Miss MacDonald: That is a very interesting debate. The hon. member for Gloucester (Mr. Breau) is now in a position of denying the right of the legitimate, democratically elected government of any province to create legislation for that province. In that case, he says it is the federal government in Ottawa that makes the laws for the provincial dimension of New Brunswick. That has been the attitude of this government all along. If they could, they would abolish all provincial governments.

Mr. Breau: I wonder if the hon. member would permit a question.

Miss MacDonald: Yes, Mr. Speaker, when I finish. This new tool that the government has devised for itself is a weapon to be used against the provinces. It smacks of arrogance and parternalism, which has been the difficulty over the past ten years. It is hardly a solution to a problem that has come about because of the government's protracted arrogance and parternalism. That is no solution at all.

I have some very real reservations about the government's commitment either to federal-provincial relations or to the cultural duality of this nation when it can bring in a bill with such potential for division, and then when the minister comes before the committee and makes a statement he does not have the text available or translated into the other official language. Both of these events are symbolic of the government's clumsiness in the field of federal-provincial relations.

To return to the motion before us today, this country is made up of many parts. But its strength lies in the fact that these diverse parts are part of the larger whole. To retain and strengthen that whole, while remaining sensitive to the diversity of its parts, should be our goal. The motion before us today works against that goal and that is why we in this party cannot support it.

Mr. Breau: Mr. Speaker, the hon. member indicated she would be glad to answer a question at this stage.

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

Miss MacDonald: Yes, Mr. Speaker.

Mr. Breau: In talking about the danger of a referendum against the province of New Brunswick, the hon. member came close to indicating that she thought a provincial legislature could not on occasion deal with this situation and constitutional questions and that the federal government or parliament should not in any way consult the people of that province. Does she realize that if she extends the logic of that argument she would be in agreement with Pierre Bourgault who says that the national assembly of Quebec could just, by a majority vote, decide the future of Quebec without any referendum, provincial or federal?

Miss MacDonald: Mr. Speaker, what I am saying is inherent in the Prime Minister's threat against the province of New Brunswick, the fact that the federal government could move in to abolish the official languages legislation of the province of New Brunswick. That is what it means.

• (1510)

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): The motion being debated today seems quite appropriate to me in this age of redefinition of the powers under our constitution. Given the present political instability and economic insecurity, there is no doubt that solving that problem could result in true national harmony which can still be achieved if we use the appropriate means.

Today I would like to draw the attention of the House to one of the priority aspects of the solution to the constitutional problem, an aspect that is unfortunately forgotten too often in the debate. To prevent errors of interpretation I will refer to

the document entitled *Coming to Terms* released a few days ago by the Task Force on Canadian Unity.

Here are the terms used by the task force to define the word "constitution", and I quote:

(2) the definition of the principal organs of government in all four branches—the legislative, the executive, the judicial and the administrative—their composition, functions, powers and limitations;

(3) the distribution and the co-ordination of powers between the two orders of government if the form of government is a federal one;

(4) the definition of relationship between the governors and the governed, particularly the rights of the latter.

The Task Force on Canadian Unity does say that a constitution includes in particular the rights of the governed, the rights of the citizens. That is quite obvious and logical since the human being is the most important creature in any society and any society is there to serve the interests of the people it includes. When you talk about basic human rights, everybody agrees about the following definition: A society must be organized so as to allow the enjoyment of such basic rights as the right to decent standards of living, health and most fundamental freedoms.

All this is included one way or another in the Bill of Rights and other statutes. For its part, the constitution does not mention these rights even though they are quite important. For too many people, these rights have remained theoretical because they had no access to them, and this is the main thrust of my intervention. The use of these rights and their accessibility cannot be fully recognized in practice if the people do not have the necessary financial means. In proof of this, one only has to look at the figures quoted by the Senate Committe on Poverty in December, 1978 which showed a disastrous financial situation for a large number of people in Canada, In 1977, 882,000 single persons, or 42.9 per cent of people in this category, were below the poverty line, 1,288,000 families of two or more, or 21.5 per cent of Canadian families, were living below the poverty line. If one considers that the average Canadian family has four members, this means that 6,034,000 people were living below the poverty line in Canada.

To live below the poverty line means that you are deprived of all the required health services, the necessary food products, decent housing, proper clothing, and numerous services which are essential to the exercise of basic freedoms and to happiness, which means that you are denied basic human rights in a normal and modern society. I want today to emphasize the fact that if the constitution must guarantee basic rights, it must also guarantee the possibility to exercise these rights. Any constitution will remain theoretical and lead to the present confrontation if it does not guarantee economic rights for individuals, rights which are clearly set forth in the provisions of the constitution so that no member of society, and especially no government, can dismiss their basic commitments.

When we talk about the basic human rights, that is food, housing, clothing, heating, health, and so on, we are talking about things that are essential to life and about the production of goods and services, and therefore about costs, prices, purchasing power and income. We are therefore talking about money and finance. It is quite easy to understand that the possibility to exercise these basic human rights is dependent upon the effectiveness of the financial system.

Let us see in this British North America Act which is considered as our constitution, how the financial system is dealt with regarding its functions as an enabling agent of the exercise of our basic rights. Section 53 deals with appropriation and tax bills. Section 91 deals with the Canadian parliament's responsibility over the public debt, the raising of money, the currency and the coinage, the banks and paper issue of money, and the interest on money. Section 92 deals with the provincial legislature's responsibility over direct taxation, the borrowing of money on the sole credit of the province. A great many sections deal with interests, provincial public debts, consolidated revenue funds, the transfer of the assets and the liabilities of the provinces, the responsibility of Canada over the debts of the provinces and the raising of taxes and so on. In this document which we consider as our constitution, no mention is made whatsoever of the rights of the citizens and, above all, the latter are not even guaranteed a single way of exercising such rights.

There is reference to the right of the government to borrow, to tax, to transfer debts and therefore the right of the governments to last and ensure their own subsistence, and finance their administration be it good or bad through the taxpayers. The future constitution of Canada which will have to emerge from the current debates will have to acknowledge the sound organization of the financial system from which depends the access to basic rights. This financial system will have to be recognized as the first essential public service, the one which provides access to all the others. The constitution will also have to spell out the responsibilities within that system and the limitation of its field of action.

Secondly, this new association which will emerge from a new constitution will have to establish its true sovereignty, namely the right of the people to their existence, to fundamental liberties as compared to other countries, to decent living conditions and these rights as well as those of the individuals will only be exercised if the financial system makes it possible.

The words "borrower" and "sovereign" are tantamount to an antithesis the elements of which are incompatible. A borrower loses part of his sovereignty which he surrenders to his creditors. He no longer is his own master. We have all seen what happened in the case of the cities of New York and Cleveland. When they suddenly are on the verge of bankruptcy, their creditors dictated their own terms.

We in Canada are heading for the same bankruptcy. Our governments are overmortgaged, a situation which is creating similar problems for the public.

I have before me a list of public debts. Public and private debts of Canadians in 1977

Federal debt:	$67 billion
Provincial debt:	$16,000,825,000
Consumer credit:	$25 billion
Credit to corporations:	$31 billion
Residential mortgages:	$13 billion
Total:	$152,000,825,000

It is to be noted that these figures do not include the debts of all municipalities in Canada. And we all know how deep in debt our municipalities are. The federal deficit alone increases by $822,000 every hour. This is ridiculous. Interest payable on total debt in 1978

Federal debt:	$6,000,500,000
Provincial debt:	$1,228,225,000
Consumer credit:	$2,000,500,000
Corporations credit:	$3,000,100,000
Residential mortgages:	$1,000,300,000
Total:	$14,628,225,000

● (1520)

This is where the present constitution has led us by giving us borrower status, debitor status, the status of seemingly prosperous people as in New York who owe the shirts they are wearing. Those figures show how much purchasing power deficiency our system generates relative to costs and obligations. The Canadian constitution should establish a Canadian financial system that would be responsible for the circulation of all the money and credit needed for sound economic performance. This implies that Canada must create a public financial service.

There is ample evidence of the current system's permanent divorce from current economic reality. Time has come to change that. And if an example were needed, we have the floating Canadian dollar. It is on a constant downslide.

I would now like to submit to the House proposals that should be included in the next constitution. A century and a half ago or even a century ago those proposals would have looked unreal. But modern times, our high degree of civilization, the high level of knowledge, the enormous productive potential, automation and cybernetics have brought us to the end of an old society concept and the eve of a new society. It has been proved that we now have the human and physical assets, the energy resources and productive capacity to enter into an age where the constant insecurity and poverty now rampant will be reduced to isolated cases rather than a system feature as is now the case.

The new constitution should include provisions for a national credit board responsible for determining the resources needed for the country to fulfil individual aspirations and for submitting from time to time reports on the efficient use of those resources. These reports would give an inventory of our society's assets and an evaluation of the percentage used. It is indeed important to know our potential, which can be made available to our citizens so that they can exercise their basic rights. And when we talk about public credit, we should really have a clear idea of its worth. Moreover, I think that the situation which makes Canadians run into debt with their government which is itself constantly borrowing from foreign capital should be reversed and that the Constitution should grant to every citizen the title of shareholder of this country. Therefore, in his quality as shareholder, every citizen would regularly receive dividends which would constitute an income supplement calculated on the basis of the net benefits of the economic association formed by Canada. This title and the privileges which would derive from it should be granted to every citizen simply because of his Canadian citizenship.

This provision would create a true economic democracy as the citizens would become owners of their share of the Canadian wealth and through the benefits they would realize, they would gain an ever-increasing ability to finance projects suited to their needs.

If this country belongs to its citizens and if this partnership is aimed at bettering the quality of life for everyone and providing more fundamental rights, it is only normal that every citizen benefit directly from this partnership. In the light of the foregoing, I should now like to make proposals which would enable us to achieve the goals pursued. The next constitution should provide that the primary role of a government is to guarantee by every possible means for every individual and family an adequate income so that they are reasonably well off.

The minimum income required to be reasonably well off could be determined on an annual basis. For instance, and this is one only example but a quite realistic one, it could be agreed in 1979 that the minimum "reasonably well off" income could be defined as the poverty line, as established by the Senate committee, plus 15 per cent. By the same token, the next constitution should provide that no person living below the "reasonably well off" line should pay any tax. However, it seems perfectly normal and in order. I cannot understand that the Income Tax Act should tax people earning $2,000 or $2,500 when they need at least $5,000 to $6,000 to live.

Those two proposals imply the setting up of an organization to set the minimum annual income required by single individuals and families to live decently and to exercise their basic rights. As a result of the present uncertainty, we have the opportunity of making our country the first modern nation with a constitution that really serves the interests of its citizens. Our country can lead the way for the whole world through a constitution based essentially on the respect of basic human rights and with very strict provisions defining the means likely to give access to those rights to everyone.

I would add that the new constitution should recognize that the government closer to the citizen can better serve him. In that spirit, with regard to equalization, a formula should be

divised under which each entity (each province) would provide to the higher level of government on a voluntary basis the sums required for the administration of programs for which they have delegated the responsibility to the higher level of government for a period determined at their discretion.

The Canadian people can give themselves a constitution fashioned to human need. For hundreds of millions of people living in poverty and uncertainty throughout the world, we can become, by adopting an original constitution, a source of hope for a better future. Because of its international reputation, Canada is perfectly able to do this. In conclusion, I express the hope that all those who will participate at any level in the drafting of a new constitution will consider my remarks, because I am convinced, as well as my colleagues from the Social Credit party, that those proposals might prevent disputes and confrontations. It is our duty to prepare for our future Canada a system designed to ensure a standard of justice under which human beings will have precedence over financial interests. Then we might talk about a just society.

I am pretty sure that the procedure followed up to now with a view to drafting a new constitution could be improved. One only has to look at the result of federal-provincial conferences to be convinced.

The Acting Speaker (Mr. Ethier): Order, please. I regret to have to interrupt the hon. member, but his allotted time has expired. However, he could continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Dionne (Kamouraska): I thank my colleagues, I shall be finished in a minute.

We should offer the Canadian people the advantage to participate through a referendum so that they have the right to decide whether one draft constitution or another is acceptable, no province being forced to accept the terms of a constitution on which it does not agree. However, if we proposed a model constitution which would guarantee everyone the "right to live", because it is an important right, there would be possible grounds for agreement in the best interests of the Canadian people.

● (1530)

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of Justice): Mr. Speaker, we could have hoped or at least expected that with the departure of the hon. member for Champlain (Mr. Matte) the Social Credit Party of Canada would have left the winding paths of ultranationalism and the sinister maze of cheap casuitry.

We must unfortunately admit that the member for Champlain, his hysterical and furious messianism notwithstanding, brought a minimum of consistency to the interventions of his party in constitutional matters. The fact is that the wording of the motion now under consideration and standing in the name of the hon. member for Roberval (Mr. Gauthier) is so confused and hermetic that I hate to try even to analyze its substance. It just may be that the member for Roberval himself agrees since not once in his intervention did he refer to it and neither did the hon. member for Kingston and the Islands (Miss MacDonald). I cannot say I blame her.

Mr. Speaker, the fact is that today, which is an opposition day, we have a motion dealing with an extremely important matter reflecting one of our major concerns, namely the constitutional reform and the direction Canada intends to give in the future to the reform of its institutions.

I would like to congratulate the hon. Minister of State for Federal-Provincial Relations (Mr. Reid) for the wonderful speech he made earlier today, in which he frankly explained the problems facing us and reaffirmed our determination to succeed in this endeavour which means so much for the survival of this country and its institutions. I particularly appreciated his reference to the report of the Pepin-Robarts Commission, and the way he cleared up any misunderstandings that may have arisen from the presentation of that report and the unfavourable comments it attracted from the media and the politicians. Above all, I feel he deserves credit for emphasizing the outstanding job the commission has done in paving the way for a better understanding and identification of the Canadian problem.

Having said that, I should still like to speak to the motion before the House today if only in an attempt to see how some of the statements it contains can lead to confusion and in fact mislead Canadians. To my mind, the motion can be divided, at least at first glance that is what I gathered, into four parts. First, the introduction, where on the basis of the so-called weaknesses of our constitutional acts, and I suppose the British North America Act of 1867 is being referred to here, a denunciation is made of the outrageous intervention of the federal government in fields of provincial jurisdiction.

Mr. Speaker, later on I shall endeavour to demonstrate that this assertion, on which the whole motion is based, is completely false and unsubstantiated. On the basis of that assertion, the Social Credit Party of Canada, and particularly the sponsor of the motion, denounces three government initiatives or actions which, according to him, justifies the presentation of a motion, though perhaps not of censure still asking the government to act otherwise.

First of all, the motion claims that the initiative of constitutional reform should be left to the provinces, should be taken by them in accordance with the constitutive elements of the Canadian federation. So, the first question that comes to my mind is this: does that mean, Mr. Speaker, that the Canadian state, that the federal government, which is also legitimate by virtue of our constitutive acts, cannot take the initiative of a constitutional reform and, as a corollary, cannot even, I suppose, initiate arrangements in its own institutions, within its

own jurisdictions? To me, the answer is simple: the British North America Act gives the Government of Canada—the federal government—full jurisdiction to amend its Constitution and reform its institutions to give them greater flexibility.

The third aspect in this motion deals with the introduction of the economic rights of the people. I wonder what the mover of the motion means by that, Mr. Speaker. In my view, there are two possible interpretations: First—and this might be in line with the options which the Social Credit party has been advocating for years—writing in the constitution certain economic rights such as the guaranteed annual income thus making it mandatory for governments to provide for their people's basic economic requirements. But—as we shall see later—these are not the only rights. The right to work is also very important as well as the right to form collective associations and many others of that same type. The Socreds are certainly not the only ones who have made such proposals. Back in 1967, the then Minister of Justice who happened to be the right hon. Pierre Elliot Trudeau, released a document called the Canadian Charter of Human Rights, which dealt extensively with those economic rights.

By the way, there were many meetings leading eventually to the Victoria Conference, during which fundamental civil rights and freedoms, including economic rights, were thoroughly discussed by a sub-committee made up of the ministers of justice who finally decided that, in view of the present situation, more particularly the nature of our institutions and dual federal and provincial jurisdiction, economic rights could probably be better protected, and every participating minister agreed to that, if the constituent parties, more precisely the provinces, were allowed to legislate in this particular area because the enforcement of those rights requires positive government action and, that is why it seems more appropriate to let the provinces pass whatever legislation they deem necessary or are under pressure to adopt for the protection of such rights.

My fourth and final point, Mr. Speaker, is really current because it concerns referenda. The mover of this motion presumably supposes, that the provinces alone which make up the Canadian confederation, can, through public consultation accept or reject constitutional reforms. He also assumes that the federal government has no right to consult the people and hold such referenda. Again, I think that, despite the reservations expressed by certain parties in the House during the debate on Bill C-9 regarding the scope of the legislation, the types of questions to be put, the various areas of consultation which could lead to referenda, no one I think has suggested in this House, Mr. Speaker, that the federal government had no constitutional right to consult the people either at the national level, from coast to coast, or within a province, whether on an issue of general interest to Canadians or an issue relating to the specific interest of a given region.

● (1540)

And once again, I do not think that the fourth point listed in the motion is hardly worth mentioning except to say that the constitutional basis for the following statement, and I quote from the motion, Mr. Speaker:

> . . . new constitutional arrangements may be ratified only by the population of the provinces through referendums held in the respective provinces.

—ignores the true nature of our Canadian institutions.

But we are left with the preamble of the motion and I will read it again for the record:

> That, in the opinion of this House, the federal government having taken advantage of the weaknesses of the British North America Act (BNA Act) to infringe on provincial jurisdictions . . .

Mr. Speaker, I seriously question the historic sources used by the research staff of the Social Credit Party of Canada as a basis for that statement. Whether they be French-speaking historians to refer to the new terminology used since 1977, or English-speaking, or even American historians as Mason Wade, or even people who have nothing to do with North America and especially European historians, but to my knowledge, nobody has ever suggested that under the British North America Act initially has given priority to provinces.

And in that context, I could quote Mason Wade but I do not have the book with me. Therefore, Mr. Speaker, I will refer to the report of the Senate committee session of 1939, when the government had asked the Senate to prepare an interpretation of the Privy Council judgment on sections 91 and 92 of the British North America Act on joint powers. I got out some excerpts from the parliamentary debates of the Parliament of Canada before 1867, that is in 1864 and 1865, and at that time, Macdonald had this to say, Mr. Speaker, and I quote from page 144 of the document:

> But in the proposed constitution, all matters of general interest, all that concerns the provinces as a whole, will be left exclusively to the federal Parliament while provincial legislatures will deal with local interests which although they do not concern the whole Confederation, are very significant at the local level.

Later he went on to say, Mr. Speaker, and I quote:

> We have conferred upon the general parliament all the major legislative matters. Not only have we specifically and in detail conferred upon it any power inherent in sovereignty and nationality, but we have specifically stated that any area of general interest which is not assigned to local parliaments would fall under the jurisdiction of the federated government and that local matters would come under local governments. Thus we have given strength to the general government and parliament, and we have avoided this great source of weakness which has caused disruption among the United States.

You will remember, Mr. Speaker, that the United States were then facing extremely serious internal difficulties following the secession war.

Does that mean, Mr. Speaker, from what was said by the father of confederation par excellence—and I add my own little touch of nationalism, by Cartier—does that mean, Mr. Speaker, that Mr. Macdonald, soon to become the first Prime Minister of Canada, of the Canadian confederation, thought of

something that was rather like a confederal institution, as it is understood today, or rather was it not straightforwardly meant that what was intended was almost a legislative union, and I use the word legislative advisedly, Mr. Speaker, because Macdonald himself wanted a legislative union, because he considered that it would allow better policy co-ordination in the interest of all the colonies in the British North America of that time, and in particular the opening of the west, the abolition of tariff barriers, the building of a railroad; finally, he did not see the necessity to give local institutions much more than a role of local regionalism befitting glorified municipalities, as they put it at the time.

Cartier could not accept, of course, as a Francophone, and as he wanted to protect the interests of Lower Canada, he said to Macdonald: Since we have to get rid of the Union because it is not working, that is the Union of Upper and Lower Canada, but since we have to try to keep the British colonies in North America together, let us do it but let us make sure that the institutions will respect the rights of the Francophones—and he was thinking specifically of the rights of the Francophones in Lower Canada. So, in spite of Macdonald's reservations, the principle of a federal union was accepted. But a federal union extremely centralized at the time, a federal union which in the mind of its designers, including Cartier, was to give the central government practically absolute preponderance. And it was only later, Mr. Speaker, with the pleas put to the Privy Council that that first concept of the Canadian confederation was gradually watered down to finally arrive at a federalism which resembles that which we have now because in its very essence it has not changed that much since the last decisions of the Privy Council despite a back and forth movement of the preponderance of the central government.

And in that sense, I would like to remind hon. members of the Social Credit Party that we are now, according to all serious analysts of the Canadian political situation, in a period where the pendulum is moving toward a preponderance of the provinces. For example, at present, if you compare the budgets of the federal government with those of the provinces, including those of the municipalities, which come under the responsibility of the provinces, you have a ratio of 1/3 to 2/3. Is that the sign of an extremely centralized federation where the central government only controls a third of governmental and "perigovernmental" budgets. I do not think so. Indeed, I think it is a very healthy development. I am not one of those who advocate, particularly in the Canadian context, an overcentralization of all powers. That would be contrary to the spirit of the BNA Act of 1867. That would go against the Canadian social and cultural reality, and it goes even against the Canadian economic reality which is based on regionalisms rather than true complementarity.

Speaking of complementarity, Mr. Speaker, if there is any direction we should try to give our efforts towards "re-confederating", it should be to take us back to the spirit that prevailed during the discussions leading to the Quebec and London conferences. At the time a whole series of factors existed which made our political men feel the need to unite. Some of those factors were political, and strictly political. For instance, the union of Lower and Upper Canada was in a political deadlock since 1840, with a whole series of governments falling one after the other.

Naturally that state of affairs interfered with the solution of the serious economic problems facing the colony at the time, including the development of the west, the need for considerable resources to build a railway, the laying down of the substructure of a maritime transport system to compete with the ones that were attracting both goods and their transportation towards the south, the United States. Another consideration was perceived at the time, namely the danger of the United States taking over, because of their power, their numbers, the various colonies located to the north. But one felt the need to unite for another reason. For many years already, privileges granted to the colony by the mother country had been reduced to the bare minimum, with the repeal of Corn Laws and others, so that Canada had to turn to the United States to carry on the majority of its trade and establish its own tariff barriers. Finally, Mr. Speaker, there are many more reasons, but most of them are mainly economic reasons and one must say that the Canadian federation such as it was conceived by its authors did manage to fulfil the economic aspirations of the Fathers of Confederation. The confederation or the British North America Act such as it is has led Canada to its present economic development. It has allowed it beyond all hopes. Laurier's big dream was that the end of the twentieth century would belong to Canada. Already he had visions of promises out west. These promises have been fulfilled, Mr. Speaker, not only in the west but all across Canada. And now, even in the poorer provinces, we had hoped—

• (1550)

Mr. Deputy Speaker: Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue only with the unanimous consent of the House.

Some hon. Members: Yes.

Mr. Deputy Speaker: There is unanimous consent.

Mr. Lachance: I will conclude in a few moments. In the Maritimes, which for many were poor provinces, one sees the first signs of a rapid development, specially in Newfoundland, in New Brunswick, with the tidal energy of the Bay of Fundy. Mr. Speaker, this country is full of promises. We have problems but they are not really economic problems. Let us try to put an end to our social, linguistic and cultural problems. Mr. Speaker, I am convinced that federalism—and that is why I am sitting here as a member of parliament—is flexible enough to accommodate the social changes that have been taking place already for the last 110 years in Canada and helped in

particular the fulfilment of Quebeckers since 1960. But we will have to go back to the mentality which prevailed in 1867 and we will have to find again what made us unite and the motives behind this union instead of looking for motives to divide. Let us therefore set aside our differences if possible, and I think that was the aim pursued by the Task Force on National Unity, and rather concentrate on what basically unites us. Then we could have true consultation, we could truly complete one another because in my view this is the answer to the current Canadian dilemma, and it cannot be achieved without first considering economic factors.

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, it is with great pleasure and great enthusiasm that I rise today to dicuss this government's performance in constitutional matters. Before getting on with my remarks, I would like to thank this House for this opportunity to resume the debate opened last week on national harmony. We, of the Social Credit Party of Canada have put forward a motion which reads:

That, in the opinion of this House, the federal government having taken advantage of the weaknesses of the British North America Act (BNA Act) to infringe on provincial jurisdictions and undermine the sovereignty of the provinces, has failed:

—to leave the initiative of constitutional negotiations to the provinces, in accordance with the spirit of confederation, by giving them the final say in the decision-making process;

—to discuss the introduction of economic rights for all citizens in a new constitution;

—as well as to recognize that new constitutional arrangements may be ratified only by the population of the provinces through referendums held in the respective provinces.

I do not agree entirely with what the hon. member for Lafontaine-Rosemont (Mr. Lachance) just said, namely that he does not understand the motion; he may not understand some paragraphs but generally speaking, after hearing his speech I think he agreed that there should be discussion to improve the new constitution we all want, including the English provinces, I think. It is certainly a great progress because, like everybody, I followed the latest conference held in Ottawa, and I think considerable progress was made towards consensus. I would not say towards unity because some people there, and I mean some of the provincial premiers, skated outside the rink but those who wanted to stick to the subject, demonstrated at least a lot of hope for the next discussions.

What concerns me today about this question of a new direction or a new constitution is that the federal government has gone one step ahead of the provinces by saying that it would hold a referendum through Bill C-9, but that it would reject outright any decision reached by those provinces which might have their own referenda. At this point I am referring to the Quebec referendum, to the provincial legislation providing for referendums in the province of Quebec. The minister stated yesterday before the committee on justice and legal affairs that the federal referendum legislation is meant to be a reflection of the provincial referendum, that is of the Quebec legislation on referendums.

I suggest that if we want Bill C-9 to be a reflection of the Quebec referendum, then we are on the wrong track. Firstly, our referendum provides that the decision of the electors is not binding in any way on the government to act on a majority decision. This means that it is not worth holding a referendum if it is so vague that the government is not bound by the majority decision. On the other hand, the provincial referendum legislation, which I know by heart, having read it maybe ten times, provides that when the majority decides on a given question to compel the government to take action, it clearly states that the government is then bound by its own act to take action. There is a whole world of difference here. The provincial government did not leave itself much of a choice, but it has reserved the choice of the question, mark you. I totally disagree on that because the question should have been stipulated in the provincial referendum act. That is the way I believe things should have been done. I for one, had I been a member of the Quebec National Assembly, would have voted against the referendum bill because I think the question should have been included in the act, because the legislation related primarily to the people's decision on provincial independence, because when you read and understand the act the way it should be read and understood, you can see that such is its intent.

Generally, however, I think the provincial bill was more complete and more specific than Bill C-9 now before the House. First of all, the federal-provincial constitutional conference of prime ministers has just been held. Generally speaking, the main matters in dispute remain unsolved because nobody wants to yield. It is certainly not easy to come out of a hundred-year deadlock between French-speaking and English-speaking Canadians, Mr. Speaker. Many have come up against a blank wall. I am thinking more particularly of men like Maxime Raymond, Jean-François Pouliot, Lionel Groulx and Chaloult.

• (1600)

All these people wanted nothing more than equality for Quebec. I would like to quote now a few sentences by Lionel Groulx which I read this morning and which show what it all means. Lionel Groulx said about French-Canadians and about the province of Quebec:

We do not want to take anything from anyone. However, we do not intend anything to be taken away from us either. We are not preventing anyone from living their own life, but we also want to live our own.

Everyone was enthusiastic when they read these fine words, but nothing much has happened since. Canon Groulx died at the age of 87, 88 or 89. He had been fighting since the age of 26, 27 or 28 for the equality of Quebec with the rest of the Canadian provinces, but not very successfully because he died before this equality that every one of us wants could be achieved.

I believe that we must now discuss the means of achieving national harmony, and it is precisely in expressing and recognizing the linguistic, religious, ethnic and cultural mosaic of the whole Canadian people.

Later on, the House of Commons should report or amend the referendum legislation, which has now been referred to the committee on justice and legal affairs, in order to expand and clarify it. In its present form, this legislation bothers our minorities, especially in Quebec and certain other provinces.

One of my colleagues described today quite eloquently the tendency of the federal government in the last 15 years to interfere increasingly with matters of provincial jurisdiction. Indeed, in all federal-provincial relations during this period, the central government has kept interfering in provincial affairs. The hon. member for Roberval (Mr. Gauthier) referred to the circumstances which led him to defend provincial interests at the federal level during his 17 years in the House of Commons. As he said so well, the federal government has consistently taken over the taxation fields which are the most profitable. It has gotten directly involved in financing education and taken the initiative to implement our first health insurance plan while knowing, of course, that the provinces did not have the financial means to make the first steps in this field. To my mind, that is outdated and the government should have withdrawn from those fields long ago.

In the past, a federal government had succeeded in monopolizing the field of direct taxation during the Second World War. Direct taxation was then the main source of revenue for the provinces who had gradually, come to rely on it. The constitution had provided them with the power of taxation at the time of the negotiations in 1867, this was the least important source of government revenue.

So, the federal government took advantage of a difficult situation to rob the provinces of their only important source of income. Having grabbed those taxation powers for itself, the federal government proceeded to use its dominant financial position to infringe upon some fields previously under provincial jurisdiction. Those encroachments account to a great extent, for the present constitutional crisis and now we can see a dynamic move from provincial governments to repatriate within their jurisdictions those administrative powers that the central government took away from them in 1867.

This brief review of federal government action leaves me to discuss a new legislation which seems intended to make the tense relations between Canada and Quebec even worse. According to the Minister of State for Federal-Provincial Relations, Bill C-9 respecting the public referendum on questions relating to constitutional matters should allow all Canadians to participate in the renewal process of the Canadian pact.

I think it is true, as the minister told us when he introduced Bill C-9, that the provinces will get involved in the referendum as well as Canadians in every province, and that after such a federal referendum there will be a certain measure of justice.

By the way, I would like to tell you about an incident that occurred yesterday. I know that the minister is probably not fully responsible, but a small mistake was made. And I want to say that sometimes English comes more naturally. In the Committee on Justice and Legal Affairs, yesterday morning, the Minister of State for Federal-Provincial Relations made a statement in English. A member of the House, a Conservative member, asked if he had French copies of it. Quite honestly, the minister told him: I have no French copy, only English copies. So we adjourned the meeting since we did not have French copies. We realize that it is considered normal procedure to always work in English, and for the last eight years the government has shown an extraordinary openness as regards bilingualism in Canada. This has been going on for eight years!

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

Mr. Speaker: The hon. member for Lafontaine-Rosemont on a point of order.

Mr. Lachance: Mr. Speaker, I am sorry to interrupt the hon. member, but you know as well as I do that Mr. Speaker took the matter under advisement until the minister had the opportunity of answering a question of privilege that would have been raised by the hon. member for Joliette (Mr. La Salle). I am sure that the hon. member might prefer to take part in this debate on the question of privilege when the minister is in the House and is able to answer.

Mr. Beaudoin: Mr. Speaker, I thank the hon. member for Maisonneuve-Rosemont, and there was no malice intended, but I merely wanted to show how hard it is to change 100-year old habits.

Mr. Speaker, I have listened carefully to the remarks of the Minister of State for Federal-Provincial Relations when he said that only the province of Quebec guarantees under a provincial act equal treatment to its minority. Why is it that the other provinces have not done likewise? It is only natural for them, that is why. I do not want to irritate or upset anybody but it is a fact that for them, of course, English comes first, and then we get the translations. I wish to congratulate my English-speaking colleagues who are helping us get equal rights for the French language, those who have helped us in the past in this House and who are helping us in committee in order to have the right to speak in French.

For a long time, Mr. Speaker, the Social Credit Party of Canada has been asking for the holding of referendums in order to seek the opinion of the Canadian people on major issues of special concern to individuals. We have asked several times, for instance, for a referendum on capital punishment. All our requests to that effect have been flatly turned down in the past by the government. We have also shown initiative on

constitutional matters by proposing a negotiation formula likely to foster understanding and public input. We have proposed the implementation of the required mechanism for the drafting of a Canadian constitution in the following order: first, every province would allow its population to express its opinion on the subject and would draft a master project stemming from this public expression of opinion which would then be submitted for public approval through a referendum. I am still talking about interprovincial relations. With a clear mandate, the provinces would then initiate interprovincial negotiations and submit the joint project for public approval a second time through a referendum. The federal government should stay completely out of these public consultations while reserving the right to discuss the final decision. At this stage, I would like to point out that if every time there is a provincial referendum, the federal government holds its own national referendum, we will then end up with a stalemate and nobody will ever make anything out of it.

● (1610)

Mr. Speaker, the federal legislation on referenda disregards provincial rights. This is mainly due to the fact that the government wants to get working tools similar to those of the province of Quebec with a view to ultimately thwarting the objectives of the Quebec government. The referendum would become the ideal instrument for federal intervention, enabling the government to impose its views to the provinces through the electorate. This policy would simply contest the sovereignty of the provinces. And yet the Pepin-Robarts Task Force on Canadian Unity in its report tabled in the House last week recognizes that a confederation would represent, and I quote:

—an association in which sovereign states are joined together by a pact or treaty of international law, or a constitution, in which they delegate specific limited authority, especially in matters of foreign affairs (defence and diplomacy), to a central agency.

According to the definition given by dictionaries, this means a union between sovereign provinces. Today one is not even allowed to talk about sovereignty and to say that provinces can be sovereign, without being labelled a separatist because from what I understand, and I said so earlier and again I repeat, that when one quietly belongs to a majority, why bother to recognize a minority, why bother to recognize its rights? Again, why recognize the rights of a minority?

As far as I am concerned, Mr. Speaker, it is up to the citizens of the province involved to chart their constitutional future. Right now Quebec is the only province which has a law on referenda and it alone should decide its future. The residents of the other Canadian provinces should not be called upon to decide whether Quebec should stay within confederation. Of course they can try to convince Quebeckers to remain within confederation, but it is up to them to negotiate the conditions of participation for each and every province within this union so that every Canadian may feel that he can develop freely, and is given the same opportunities. So the federal government has no right to force the provinces to accept its own views on what Canada should be, especially through the technicalities of a referendum which might deny citizens—as I said before—a free political choice which they might have made with an overwhelming majority.

Counteracting the threat of a referendum by another referendum will certainly not enhance the quality of the debate on the constitution, obvious as it is that Canada would never allow the province of Quebec to sever its constitutional links with the rest of the country on the outcome of a referendum. Judging from all the speeches of hon. members, it is obvious that the referendum is designed as a reply to a specific threat. The hon. member for Broadview (Mr. Rae) made this point very clear a few days ago.

Most political parties in the House have tried to convince us through statements they have made here over the last few weeks that the referendum will stimulate popular thinking and the development of viable constitutional options. It would be very easy to hold a referendum on the issue of capital punishment. The choices would be easy enough to make and the voters would be more or less free to choose. But in a referendum to change the Canadian constitution, it would be a lot more sophisticated and very difficult to reply for some individuals.

We must therefore devise a means of consultation which would be much more sophisticated and much more careful, which could allow people not only to vote yes or no on issues explained in advance, but also to take an active part in the process of formulating the options to be negotiated. In its previous contributions to the debate on this opposition day, the Social Credit Party has suggested the use of a better method of public consultation. This method should apply first of all at the provincial level, and later on, when the provinces have agreed on the change they demand, the federal government could decide. The bill on referenda reserves—

The Acting Speaker (Mr. Ethier): Order, please! I regret to interrupt the hon. member, but his time has expired. He could continue, however, with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Beaudoin: The bill on public referendums gives the federal government the right to hold such a referendum within one or several provinces or throughout Canada. This is, in my opinion, Mr. Speaker, quite dangerous, because if the federal government is entitled to hold a referendum within a province, the Northwest Territories or elsewhere and since the cabinet is empowered to define the extent of the vote, it would be possible for the government to take advantage of the antagonistic interregional feelings now prevailing in this country to obtain the desired verdict.

The present wording of the legislation would enable, through devious procedures, the government to remove the right of a province to take part in a referendum if a very serious opposition was expected. This matter may be raised since there is no reference in the bill to the criteria used by the government to organize a provincial or national referendum. This is why the referendum, as a result of the reactionary haste based on the Quebec referendum formula, could become a political instrument through which the federal government could substantially distort the wishes of Canadians or Quebeckers.

One of the arguments that was most often heard in the oratory battle undertaken within the House of Commons on the referendum issue suggests that the House of Commons could always protect the public interest during the debate period reserved for members by section 3 of the bill. This section 3, Mr. Speaker, provides for 40 hours of debate, if there is no general agreement on a given referendum question. I think it has been said here by some members that these 40 hours would be enough. That would justify setting aside this matter of the referendum intended by the federal government. Those in favour of this formula were saying that there might be a consensus of the parties in this House on a given question. Here, I refer, for instance, to page 2045 of *Hansard* of December 12, 1978, where a member was saying, and I quote:

> If there is a particular referendum which we do not think is popular, the point is that we have the means in this House as an opposition to hold things up beyond the eight days. Indeed, if it happened that the government of the day, whether it be this government or any other, rammed through a referendum bill in the face of united opposition in the House of Commons, one does not have to guess what would happen. A referendum of that nature which did not have reasonable support and had to be rammed through would be defeated in advance. Any government would know that.

I agree on this point. But the hon. member is much too optimistic, I think, when he says that some day we might agree on a given question. We know the differences that exist between the objectives of the various parties in the House of Commons, and I believe that is a good thing, it is a beautiful mosaic, and that is what democracy is all about, but to simply suggest that we might all agree, one morning, on a given question, about which the government would like to hold a referendum, I believe that is mere wishful thinking.

Mr. Speaker, in concluding, I would say that the Canadian experience shows that plebiscites were never in the interest of French Canadians nor of the province of Quebec. The 1942 exercise demonstrates effectively the vulnerability of this province against the rest of Canada about problems differently affecting the French Canadian and English Canadian cultures. In 1942, the province of Quebec was vigorously opposed to the conscription for military service. The Mackenzie King Liberal government used popular consultation to squeeze himself out of a promise made during the preceding election. They held a plebiscite to stir up the sense of pride of the majority in the English-speaking provinces, knowing quite well that the opposing voice, which was concentrated in the province of Quebec, would be overwhelmed by the voice of the English-speaking Canadians living outside Quebec. That will still be a danger in the future, Mr. Speaker. I am referring to that instance, though technically speaking a plebiscite is quite different from a referendum, in order to urge hon. members and all Canadians to be cautious.

Language and cultural differences tending to polarize opinions within specific regions could considerably undermine the rights of the French-Canadian minority and persuade them to reconsider their partnership in the Canadian confederation. The implications of that federal legislation with respect to the whole Quebec community suggest, Mr. Speaker, that the rights of a linguistic minority might be ignored by the central government.

The Social Credit Party is therefore urging the people in the provinces to get involved in this constitutional debate. It is for them to decide upon the contents of a new association agreement between Canadians which would not allow the federal government to freeze, by means of spectacular statements, our constitutional institutions into their present state.

● (1620)

Mr. Maurice Dupras (Labelle): Mr. Speaker, among other benefits the motion now before us has given me the pleasure of hearing the explanations given by the Minister of State (Federal-Provincial Relations) (Mr. Reid) on the last conference on constitutional matters, and also on certain aspects of the report put forward by the Task Force on Canadian Unity. It has also given us an opportunity to hear the excellent analysis made by my learned colleague from Lafontaine-Rosemont (Mr. Lachance) on the constitution and the current state of the national unity debate. I commend him for that.

This was the second or third time I had the privilege of listening to an analysis by my young colleague, and I must express my admiration for the method with which he presented his subject and his mastery of it. He deserves praise. I also received confirmation of a fact we are all aware of on this side of the House. The hon. member for Kingston and the Islands (Miss MacDonald) supports the claim made by Mr. Pierre Bourgault that the province of Quebec and the Quebec Assembly have the power to unilaterally declare independence and withdraw from our Canadian confederation. The hon. member for Kingston and the Islands refused to answer a question put by my colleague from Gloucester (Mr. Breau). This question was: "Do you agree with Mr. Bourgault that Quebec has that unilateral power?" According to the hon. member the right hon. Prime Minister (Mr. Trudeau) had suggested that a federal referendum might for instance deny a province unilateral action such as, for instance, New Brunswick proclaiming French or English the only official language. I very much regret that the hon. member for Kingston and the Islands did not see fit to remain in this House to clarify her

point. A good number of Canadians will not know what to think on this.

We also heard the other hon. member read his motion. I have no intention to delve into it myself, since my colleague from Lafontaine-Rosemont did so in his brilliant fashion. I submit the motion is inconsistent and unfounded and, as did my hon. colleague, I wonder who could have put such a thing together.

This motion also gave me the opportunity to hear the hon. member for Richmond (Mr. Beaudoin) make some allegations on the referendum and other aspects of Canadian society. He started by asserting that among so many persons who have studied the difficulties and so-called inequities English-speaking Canadians are alleged to have caused French Canadians, the efforts, representations and battles some Canadians are said to have made, he mentioned Canon Lionel Groulx. Mr. Speaker, I do not wish to attack the mystical Canon Groulx; however, I believe he had some responsibilities in the field of education, he should have accepted them, he should have won over my fellow countrymen and encouraged them to go into some fields that were practically unknown to French-speaking Canadians such as economics, engineering, geology and external affairs. He should have tried to convince them, especially the younger ones, to stop studying only for classical professions like law, medicine, priesthood, and look elsewhere. If that was the problem of French Canadians, I suggest it should have been pointed out, and Canon Groulx had the responsibility of selling his fellow countrymen the idea of taking up these careers. Still the hon. member for Richmond recognizes that the conference held in the last few days was a great step forward. Naturally there are so many differences of opinions, Mr. Speaker, that it would be illusory to think the minds will meet overnight and the heads of every province, jealous of the powers they received from their electors, will readily give up some of these powers in order to promote Canadian unity.

It is also an illusion to think that the leaders, those in charge of the federal administration, are also prepared to give up some of the powers which belong to the government of Canada. Therefore, this is why, and this is nevertheless an interesting evolution, Mr. Speaker, which gives us some hope, in the interest of the Canadian people as a whole, those in power, the leaders of that province will accept certain changes and mutations.

I come back to the point made by my colleague, the hon. member for Richmond, Mr. Speaker, and other hon. members, with regard to the population of the provinces. In fact they should talk about the population of the country because in fact the people in Quebec are Canadian people, as they are in the city of Montreal. Therefore they are somewhat distorting the picture of our Canadian society when they talk about the population of the provinces. The population of the provinces is the population of the country. I might take this opportunity, Mr. Speaker, to remind my colleagues, and particularly my colleagues in the Social Credit Party, of our responsibility as hon. members in the House of Commons. I think that the mover and the hon. member who spoke next are not aware of that. In my opinion, the function of a member of the House of Commons is, in the first place, to look after the federal interests of his fellow citizens. Just as provincial members have the exclusive responsibility and obligation to look after the provincial interests of their voters. The same goes for members of a city council or of a school board. And each of us, Mr. Speaker, may rightfully pretend to represent, speak on behalf of, take action and adopt measures in the best interests, of the people we represent.

I do not quite understand, Mr. Speaker, why the Social Credit Party members will criticize the federal government's position and power. What I do undertand clearly though is how passionately the Progressive Conservative party is bent on decentralizing and weakening the central power, as the hon. member for Kingston and the Islands has shown it. Mr. Speaker, we must see behind this an obvious scheme. Let us imagine for one moment that the central government is in a weak position, as some Conservative members would like to see it. It means that the whole equalization system would tumble down.

Of course, that is what the rich provinces could do, they would see advantages in not having to share their wealth with the have-not provinces. So as far as equalization payments are concerned, I want to warn the people in eastern Canada especially, including the people of Quebec, against falling into the trap laid by some Progressive Conservative members who are trying to convince and win people, and especially certain provinces, to move towards decentralization, which means the erosion or dilution of the central power and eventually the elimination of the equalization payment program which will result in low income Canadians being denied services either medicare or hospitalization of the quality which we are used to.

That is why I wish to remind the hon. member for Kingston and the Islands that one of the Confederation's advantages is to make available to all Canadians, from all parts of the country, the same health hospital care, and educational standards and equal opportunity for post-secondary, under graduate and post-graduate education.

As I have already indicated, Mr. Speaker, let us remember the equalization programs and, all the programs through which the federal government is helping the have-not provinces, this would jeopardize them. Another hypothesis that could be considered is the one I am proposing: What would have happened to consumers in eastern Canada, east of the Ottawa river, if the oil price compensation program could not have been implemented because of a rift in the central power!

The federal government managed to convince the government of Alberta to share with Canadians in the less fortunate provinces the surtax Americans were and still are being

charged, which made it possible for Canadians in all provinces to pay the same price, for oil much below the international price. In the province of Quebec, premium gas sells for $1 a gallon, while in all western industrialized countries, and even Japan, it costs twice that price and even more.

The implementation of this oil price compensation program would have been absolutely impossible for Eastern Canadians had it not been for a central power which is exercized by the government of Canada and allows the redistribution of wealth in this country. I remind the hon. member for Kingston and the Islands that every Canada-Ontario, Canada-British Columbia or Canada-Quebec or Canada-New Brunswick general program was established with the help and co-operation of provincial governments. And the priority of everyone of those governments is to set their own priorities and determine which program they want to promote.

So those are examples of the way the confederation of Canada works now. Although it is 112 or 113 years old, it works very well even if a large number of Canadians like to disparage the constitution, the central government and their country. Around the world how many people are thinking of leaving their country to make a new life for themselves elsewhere. Canada is the favorite choice of those who want to leave their country. And imagine those people, those Europeans and even the people of Africa and elsewhere who want to come to Canada, reading in the papers and hearing those unfounded criticisms about our country—it is really unfair for a country like ours which offers so much.

And the climate of federalOK-provincial relations is also often decried. I ask my colleagues, in particular those from the province of Quebec to consider the kind of climate now prevailing in the relations between the provincial and the municipal governments, and between the provincial government and the Quebec school boards. They will see that the present government of the province of Quebec does not even bother to consult anyone in its handling of public affairs and imposes its own views at provincial-municipal meetings while the municipalities cannot make their voices heard or suggest ways to best serve the public interest. The party now in power in the province of Quebec must really be weak, Mr. Speaker, if it so readily abandons responsibility for protecting provincial rights to the Social Credit Party, and in the light of the arguments raised by those members, it seems to me that they do not have good counsels and that their cause is in bad hands.

I would like to go back to the arguments and remarks by the honorable member for Kingston and the Islands to the effect that the powers that are being held and used by the Canadian government date back, for the most part, to the years 1939, 1945, and 1946, that is the war years.

So, since she referred to that period in Canadian history, Mr. Speaker, I would like to remind all Canadians that if they really look at what took place in Canada, the national economy had developed during those years while the central authority had grown and could take action or decisions without having to go through the process of consultation which can be quite lengthy and which prevents in reality the quick implementation of any change in the Canadian Constitution.

Mr. Speaker, certain people, including the hon. member for Richmond (Mr. Beaudoin), took the liberty of quoting from the report of the Task Force on Canadian Unity, the Pepin-Robarts commission. Of course, each one of us has a tendency to refer mostly to those things in the report with which he agrees. For my part, Mr. Speaker, I have certain doubts about this consultative process and this report, and this is the first opportunity that I have had to express my views publicly. To me, this report does not give a true picture of the Canadian reality because when such a group travels throughout a country, whether it be in Canada or elsewhere, to hear comments or criticisms about the direction that should be given to the country, it hears only extremist opinions. The middle-of-the-road views that are held by the majority of the people have not been heard, and the report reflects quite well, and quite faithfully in fact, the representations of the various movements heard by the Task Force. This is why, Mr. Speaker, we must take into account this weakness in the consultation process and realize that this can only give a caricature with extremist overtones and can falsify the image of the social climate of the country.

Aside from the activities of the Pepin-Robarts commission, Mr. Speaker, all of us in the Canadian parliament have the opportunity to travel throughout the country. For my part, I have had this opportunity since I was 18, or since 1940 or 1941 when I joined the Canadian Air Force, and I was able to meet Canadians of all ages, in every walk of life and in all the regions of the country. The situation and the conditions described in this report have been exaggerated, in my opinion. We could give numerous examples to prove the excellent relationship between French-speaking and English-speaking Canadians.

I am in an excellent position to talk about it because I lived in several parts of the country when I was young, and I had the opportunity to see how Canadians in all parts of the country like Canadians from any social and ethnic group, and certainly, of course, French-speaking Canadians. That is why I view this report with reservations, Mr. Speaker, and I think, of course, that such an inquiry was not an exercise in futility, that it is an excellent way to know the extreme positions of our fellow citizens. However, I think it should not be considered as the absolute or exact truth on the situation of the Canadian mosaic.

● (1630)

[*English*]

Mr. Wm. Andres (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, I am very pleased to be able to take part in this debate. My intervention will not be lengthy. The motion before us appears to imply that the

British North America Act has allowed the federal government to infringe on provincial jurisdiction and that the federal power should be decentralized to the extent that the initiative in constitutional negotiations would be left to the provinces. I cannot believe this is really the intent of the motion because who knows what can happen once we start tearing the country apart. We hear much of this outside the House but I could not believe initiatives would be taken within the House to fragment this country and to break up a strong central government.

The constitution is a flexible document, which is both advantageous and necessary. It also has, however, disadvantages for a country of this size and of this diversity. This country is made up of people from all parts of the globe. They have various needs and aspirations. The British North America Act and a strong central government have served this country well for over 100 years. Certainly changes are needed from time to time, and changes have been made to reflect the needs of people in various regions and provinces.

The constitution is more than just a written document. It involves a set of relationships between governments and between the federal government and its people. Over the past 111 years this country has grown and developed. In 1867 our constitution provided a centralized structure, but since then there has been a gradual erosion of federal power as that became desirable and necessary to the various provinces.

The pendulum has swung back and forth. The federal government has taken power to itself when required in the interest of national security, for example, during the Second World War. However, never has the central government abused its power.

Mr. Whittaker: Oh!

Mr. Andres: The power of the central government is in the hands of the Canadian people. The purpose of the central government is to serve the needs of the people. We will soon be going again to the people to seek their support and their decision. We will be wanting to know what their requirements are and what mandate there will be for governing the people of Canada. We will want to know their wishes regarding future generations and the future of this country.

• (1640)

The process of change is unpredictable. Flexibility is necessary to cope with unforeseen circumstances. This government has always reacted to circumstances in a flexible and open manner. In a country as large as Canada which has a scattered population there is always a tendency toward provincial and local adherences, and rightly so. Communities adhere. This is what has built this country and made it strong, but that happened under the large umbrella of the federal system. There is, therefore, a greater need for a strong central voice, a strong national voice, and this is what has kept this country together. This is what built this country, and to suggest now that there should be an erosion of this strength or a fracturing of this umbrella is beyond my comprehension. I cannot understand those in this chamber who would support that kind of move.

Canada is a land of diversity. There are various and conflicting interests, and the British North America Act embodies the hopes and aspirations of a growing country. Immigrants have come to this country in search of adventure, a home and peace. All of the aspirations of these people have been translated into the growth of this great country. This country has provided a home for people from all corners of the globe. This country is flexible enough to meet the aspirations of all people, no matter whether they be in the east, in the west, or in central Canada. The hopes and aspirations of all have been met. None have been disappointed except those whom some politicians would lead around by the nose telling them how bad things are.

This country has everything one would require. Many people want to come to this country. Because we can take in only so many at a time in order not to dilute the aspirations of the people, unfortunately certain restrictions have been put in place under our Immigration Act. I am pleased that the Minister of Employment and Immigration (Mr. Cullen) is here this afternoon. He recognizes people's needs. He knows what this country has to offer and how many people can be accommodated at any one time. However, the Minister of Employment and Immigration recognizes the needs of people who find themselves in frustrating straits.

We have a refugee program and, as the son of a refugee who came to Canada many years ago and found a home here, I am proud to be standing in this House. This country has meant much to my family and to my children. That is why I support the minister and his refugee program. Canada has always been open to people who are needy, people who are persecuted, and people who are looking for a home and adventure.

Without a strong national voice there would be no co-ordination between the various regions. We need a strong national voice.

When the British North America Act was brought in 111 years ago it was visionary in its approach. It recognized the needs of the people, and it has served the people well for over 100 years. There have been changes, and changes are now required again because hopes, aspirations, and needs change. This act is flexible enough to accommodate all people who have come to this country and made it their home.

The constitution requires updating. Consequently we have before us a bill to strengthen this country, to reflect the needs of the regions and to serve the citizens of Canada. Constitutional amendments affect all Canadians, and I was very pleased to be able to take part in the debate just recently on the referendum bill which is before this House. From time to time dangers lurk. The unity of this country is in danger. Some want to fracture this great country, and I am pleased that we have a referendum bill before us so that we can consult the people and seek their advice on what they want for the future of this country by way of laws which will govern it.

Constitutional amendments should not be to the disadvantage of any one region. This was alluded to by a member of the

Social Credit party previously. At no time in the history of this country have the provisions of the constitution been intended to disadvantage any group of people or any region. The intention has always been to provide equal opportunity in all parts of the country. Indeed, we have always been fair in what we have tried to do through regional disparity programs to assist those parts of the country which have been in more need than others.

I am pleased to have been able to take a small part in this discussion this afternoon.

[*Translation*]

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, it is with pleasure that I rise to speak on this motion. In fact, I had no intention of doing so, and I see that it is 4:49 p.m. by the clock, but I wish to take this opportunity since no other member of the opposition wants to.

In fact, considering the number of members who took part in this debate and the concepts that were analyzed and put forward by the members of the Social Credit Party of Canada as well as by some members of the Liberal party, one finds that those concepts were very well documented. Unfortunately, except for one intervention from the Progressive Conservative party, from the hon. member for Kingston and the Islands (Miss MacDonald), I do not think that anyone from the New Democratic Party dealt with that issue. There was no real constructive input.

I feel this is a very good indication of the interest shown by the Progressive Conservative party, the official opposition party, in the constitutional issue. I am not surprised that they did not participate in this debate because the Progressive Conservatives have had some trouble to grasp the constitutional concept of our country as a direct result of their ignorance of what Canada really is.

This is unfortunate because when you come to a national crossroad, when you consider issues that are essential to the survival and the very existence of our country, you find that the official opposition party does not have the time to deal with those basic issues and to make its position known. We listened to the comments of the hon. member for Kingston and the Islands, but she spoke on her own behalf and did not state the position of her leader or her party. Besides, the points she made were not too clear. Mr. Speaker, I have the privilege of representing a Francophone minority outside the province of Quebec.

My interest in constitutional matters goes back a long way, ever since my early childhood. I received my schooling in the Ontario French educational system which as you know, Mr. Speaker, since you were a graduate of those institutions, did not enjoy the benefits available to the Ontario or even Quebec English-speaking students.

I learned to survive as a French-Canadian outside the province of Quebec. To understand exactly what was my status as a Canadian, I had to be aware of the constitutional rights and guarantees provided in our constitution. It is obvious that some members opposite did not have that opportunity, because for them the constitution is merely a document. That is not the way to live. But for you and me, Mr. Speaker, the constitution was not only a document, it was a guarantee for us, French-speaking Canadians living in an English-speaking province. That is why we have given it a lot a thought and that I still look into it carefully, because all these constitutional amendments will greatly affect the guarantees of the French-speaking minorities living outside Quebec, as well as those of the English-speaking minority living inside Quebec.

Mr. Speaker, let us not make the mistake of thinking that these questions are incidental. On the contrary, they are very basic. The question of linguistic minority rights was of paramount importance to our predecessors, the Fathers of Confederation, and they entrenched these guarantees in section 93 and 133 of the BNA Act. What has happened, in fact, is that we have progressed. In those days, Canada was made up of only four provinces, while it is made up today of ten provinces which cover more than 3,200 kilometers from the Atlantic to the Pacific.

As a French-speaking Canadian, I want to see entrenched in the constitution the recognition of what I am, of what a French-speaking or English-speaking Canadian is. I should like the confidence felt by my forebears when they left the province of Quebec to move to Ontario, when they left Quebec as French-speaking Canadians to become part of Ontario and go on living there as French-speaking Canadians, I should like that confidence, which was based on the guarantees in the British North America Act, to also be that of my descendants who may want to move to Alberta or British Columbia; I should like them to have that same opportunity, of living there the way I live in Ontario as a Francophone. That is why the matter of the protection of the rights of the minorities is fundamental to our constitutional discussions.

I simply want to repeat that I cannot perceive the survival of our country if the constitution of the future does not guarantee the protection of the rights of the linguistic minorities, and that guarantee should not be left to the provinces; it must be entrenched in the constitution by requiring the provinces, by constitutional decree, to protect the linguistic rights of the minorities. That being so, another issue also becomes very fundamental as it relates to our attitudes towards linguistic minorities. I mean decentralization. Mr. Speaker, I am very concerned that some would have us believe that Canada must suffer even further decentralization.

• (1650)

[*English*]

It was quite accurate when speakers on the government side indicated that the initial British North America Act was a centralizing document. When one reads the text of the British North America Act, it becomes quite evident that the central

government was going to be the paramount power. Under section 91 the residual power was left in the central government. There was a declaratory power which was left in the central government. There was *le droit de désaveu*, the power to disallow provincial laws, left in the central government. It was the governor in council, in the right of Canada, who was empowered to appoint lieutenant governors. Indeed, it was the governor in council who appointed all superior court judges. It becomes quite evident that it was a centralizing government.

If one looks at the constitutional cases, right up until 1896 there was even a greater centralizing interpretation given to our constitution. In 1896 there was a reversal, and we tended toward greater and greater decentralization when the privy council in Great Britain started identifying the needs of Canada as being those of regions and trying to distribute more and more of the powers to the regions. There is a coincidence in terms of that tendency toward decentralization and the question of the Manitoba school matter. I see the hon. member for Winnipeg North Centre (Mr. Knowles) is present in the chamber. He will not recall first-hand the Laurier episode in 1896 which brought the Liberal government to power.

Mr. Knowles (Winnipeg North Centre): No, I was not here then.

Mr. Blais: No, the hon. member was not here. In effect, it brought about a reduction in minority language rights in the province of Manitoba. If one reads any history books, one will see that at that time the country was in danger again of disaggregation because of minority language rights. As a matter of fact, if I recall correctly, the Tory government of the day was defeated because it had a bill on the order paper which would have disallowed the 1890 act reducing the rights of Francophones in the province of Manitoba. At that time there seems to have been a tendency toward greater decentralization. There was a tendency to afford to the provinces the rights relating to property, civil rights—

[*Translation*]

The Acting Speaker (Mr. Ethier): Order. I regret to interrupt the hon. minister. It being five o'clock, it is my duty to inform the House that, pursuant to Standing Order 58(11), the debate on the motion is over. The House stands adjourned until Monday at 2 p.m., pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Monday, February 12, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

SPORTS

HOCKEY—REQUEST THAT DIFFERENCES CONCERNING CANADA CUP BE RESOLVED—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity.

In view of the fact that internal bickering by Hockey Canada and the Canadian Amateur Hockey Association has caused postponement of the scheduled Canada Cup series this fall, and because this announcement comes on the heels of the impressive Soviet victory over the NHL, thereby creating a somewhat non-sportsmanlike impression around the world, I move, seconded by the hon. member for Hastings (Mr. Ellis):

That this House not only compliment the Soviets for their brilliant Challenge Cup Victory, but instruct the Minister of State (Fitness and Amateur Sport) to take all necessary action in resolving the differences between the two hockey bodies which fall within her jurisdiction, namely, Hockey Canada and the CAHA, in order to give Canadians the opportunity to recreate the emotional and unifying Canada Cup series of the past, as scheduled.

Mr. Speaker: Order, please. The congratulatory part being secondary, as it is, I will ask whether there is unanimous consent of the House for the presentation of this motion.

Some hon. Members: Agreed.

Some hon. Members: No.

GRANTS FOR DEVELOPMENT OF AMATEUR HOCKEY—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise, under the provisions of Standing Order 43, to make a similar motion under the same subject.

In view of the results of last night's hockey game in New York between the Soviet national team and the NHL All-Stars, and in view of the government's offer to squander some $18 million on privately-owned professional hockey teams, I move, seconded by the hon. member for Regina-Lake Centre (Mr. Benjamin):

That this $18 million give-away be withdrawn and be replaced with additional funding for genuine amateur hockey coaching which would include a close study of the Soviet and European hockey programs; and, further, that a special award be given to Mr. Roger Doucette for winning the battle of the national anthems.

Mr. Speaker: Is there unanimous consent for the presentation of such a motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL UNITY

CLARIFICATION OF STATEMENTS BY VARIOUS MINISTERS—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

In light of statements by the Prime Minister (Mr. Trudeau) which warned that the loss of Quebec would spell the loss of Canada, and considering the contradictory nature of those statements when compared to recent remarks by the Minister of State for Federal-Provincial Relations (Mr. Reid) and the Minister of Supply and Services (Mr. De Bané) whose comments suggested that if a strong majority of Quebeckers voted for separation, the Liberals would have no choice but to let Quebec go, which again appear diametrically opposed to remarks by the Secretary of State for External Affairs (Mr. Jamieson) who said that the government would not negotiate sovereignty association, I move, seconded by the hon. member for South Shore (Mr. Crouse):

That this House direct the government to clarify these contradictory statements by various ministers which breed uncertainty and lend legitimacy to the separatist cause in Quebec.

Mr. Speaker: Is there unanimous consent for the presentation of such a motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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STATISTICS CANADA

REINSTATEMENT OF WHOLESALE PRICE INDEX—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

S.O. 43

In view of the announcement by Statistics Canada that they will no longer publish the wholesale price index, which is the leading indicator of the cost of living trends in the Canadian economy, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House condemns the federal government for blatantly attempting to cover up any embarrassing figures reflecting its failures to deal with inflationary trends prior to the federal election, and calls on the government to reinstate this very important survey.

Mr. Speaker: Such a motion can be introduced only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

PUBLIC WORKS

PROPOSED DEMOLITION OF BUILDINGS AT FORT CHURCHILL, MAN.—MOTION UNDER S.O. 43

Mr. Cecil Smith (Churchill): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing importance.

In view of the fact that the Department of Public Works are planning a further demolition of sound, usable buildings at Fort Churchill, and in view of the fact that over $1 million has been spent on the demolition of usable buildings at Fort Churchill over the past three years, I move, seconded by the hon. member for Selkirk (Mr. Whiteway):

That the government cancel plans to demolish the remaining buildings at Fort Churchill, and that these buildings be turned over to the local government district of Churchill for their future use.

Mr. Speaker: Such a motion can be presented for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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TRANSPORT

LEGAL ACTION BY MINISTER AGAINST SOUTHSTAR PUBLISHERS LTD.—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity.

In view of legal action taken by the Minister of Transport in 1977 against Southstar Publishers Ltd. concerning a feature article on him in the *Canadian Magazine*, which article was not read in Saskatchewan because the minister threatened the Regina *Leader-Post* and the Saskatoon *Star-Phoenix*, who did not carry the offending magazine, and the obvious threat to freedom of information this action involved, I move, seconded by the member of parliament for Calgary Centre (Mr. Andre):

That the minister explain on motions why he has not proceeded to trial with the action, despite filing of the defence in February, 1978, a year ago, and explain further how any article could have lowered any further his reputation in the estimation of right thinking people.

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

Mr. Speaker: Order, please. The hon. member for Regina-Lake Centre (Mr. Benjamin).

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CANADIAN WHEAT BOARD

CALL FOR BOARD TO HAVE SOLE JURISDICTION OVER FEED GRAINS—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I also have a motion under Standing Order 43 concerning the same minister, but it has nothing to do with bluffs; it has to do with policy.

In view of the fact that right now the Canadian Wheat Board is obtaining for farmers 58.5 cents per bushel more for barley, and 65 cents per bushel more for feed wheat, than the private enterprise open market, and in view of the fact that if all domestic feed grains had been handled by the board during the first four months of this crop year, $60 million more would have been put into the pockets of prairie farmers, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That the minister responsible for the Canadian Wheat Board, who took feed grain marketing away from the board, return feed grains to the sole jurisdiction of the Wheat Board.

Mr. Speaker: The motion can be presented for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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TRANSPORT

PROVISION OF HOPPER CARS FOR ACCELERATED MOVEMENT OF GRAIN—MOTION UNDER S.O. 43

Mr. Jack Hare (St. Boniface): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the Canadian Wheat Board has calculated that another 10,000 grain hopper cars will be required for the delivery of western grain by 1985, and in view of the fact that previous contracts for the manufacture of hopper cars have gone overwhelmingly to firms located in central and eastern Canada, I move, seconded by the hon. member for Selkirk (Mr. Whiteway):

That the CNR repair yards in Transcona, Manitoba, be upgraded to enable the manufacture of at least some of these required hopper cars, in the interest of creating linkages to the grain industry on the prairies where the grain is grown.

Mr. Speaker: Such a motion can be introduced for debate only with the unanimous consent of the House? Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

THE CANADIAN ECONOMY

PROPOSAL THAT BANK OF CANADA BE AUTHORIZED TO LEND MONEY TO PROVINCES—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an extremely urgent motion of pressing necessity.

In view of the fact that the Government of Canada has obtained from a syndicate of American and European banks a credit margin of $3.5 billion whose security is based on the productive capacity of Canadians and considering that such financing operations in the public sector make our debt heavier from year to year, something which cannot go on without dangerously affecting our national economy and prosperity and jeopardizing the survival of generations for whom we are now sacrificing ourselves, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That, as a solution to that serious problem, the Minister of Finance introduce in the House a bill aimed at amending the Bank of Canada Act to enable it to grant long-term loans to federal and provincial governments, such loans being based on the real credit of the country, as is the case for the security of loans granted by chartered banks in Canada and by foreign banks, but whose excessive interest rate is burdening the country for generations to come and compelling Canadians to reimburse $5 in capital and interest for each $1 borrowed, and that those loans be granted at a rate equivalent to administration costs.

Mr. Speaker: Order. Pursuant to the provisions of Standing Order 43, such a motion can be presented only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

URBAN AFFAIRS

FEASIBILITY OF EXPORTING PREFABRICATED SHELTERS

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, I ask the Minister of State for Urban Affairs whether any studies have been done on the feasibility of assisting underdeveloped countries through the export of prefab shelters, particularly in light of our Habitat experience and the Habitat desk at MUSA following our international commitments at Habitat.

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, a series of studies have been made in relation to Habitat. I will have to check to find out if there is a specific one on this subject. As you know, Mr. Speaker, this conference took place some years ago, the preparatory work for it is now about five or six years old, so I will have to refresh my memory on this matter.

Mrs. Pigott: Mr. Speaker, the minister knows that under the conflict of interest guidelines affecting public servants, it is also obligatory to take great care to avoid the appearance of conflict of interest.

Would the minister give an assurance to this House that Mr. William Teron, in his dual capacity as chairman of Central Mortgage and Housing Corporation and as president of an international prefab company, will not be given preferential treatment by his ministry?

Mr. Ouellet: Yes, Mr. Speaker, indeed. The guidelines are there, and we will make sure they are obeyed.

* * *

CENTRAL MORTGAGE AND HOUSING CORPORATION

CALL FOR AUDITOR GENERAL OR COMMITTEE INVESTIGATION OF OPERATIONS OF CORPORATION

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, in a recent paper there was a statement made by Mr. Lorenz Schmidt, the assistant secretary to the minister, who said:

I'd hate to see an audit on all things ordered by cabinet.

In view of the alarming reports of millions of dollars being wasted, lost or stolen, is the minister prepared now to make an immediate reference to the standing committee to investigate these reports, or to call in the Auditor General?

[*Translation*]

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I do not know what object or product the hon. member means when she says that some objects were lost or stolen. The only thing I know is

that some documents, prepared by civil servants in my department, are transferred as if by magic into the hands or some Conservative members. I shall be pleased if she can help me find them again.

[*English*]

COMPENSATION FOR FAULTY WORKMANSHIP UNDER AHOP

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to ask a question of the Minister of State for Urban Affairs with respect to some of his domestic responsibilities.

Earlier in this House, under repeated questioning with respect to faulty inspections and the use of inadequate building materials in AHOP projects—specifically under the AHOP project at Virginia Park in St. John's—the minister said many times that CMHC is only responsible for inspections to ensure construction process for mortgage purposes. Yet, according to a confidential document prepared for the minister and CMHC, this statement is made:

> Provision of insurance entails appraisal and inspection of units and this served to provide a kind of guarantee to purchasers on the quality and workmanship of these units.

I ask the minister if this assurance to the purchasers on quality and workmanship with respect to AHOP units applies to the unfortunate people who bought AHOP houses in Virginia Park and now find they have depreciated in value because of deteriorating brick and inadequate inspection.

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, in relation to the people who live in Virginia Park, an offer has been made to them in an amount sufficient to repair deficiencies. These disbursements will be made as repairs are carried out.

The increase in the monthly payment which will eventually occur will be delayed for a number of months to make it easier for these borrowers to repay the amount. Therefore, the net increase in monthly payments will be postponed until the end of the first five-year loan. With regard to these people, a concrete offer has been made to help solve their problems.

● (1420)

Mr. McGrath: The minister is all heart, Mr. Speaker. These people have, rightly, declined that offer because on a house that has depreciated in value their liability would increase by increasing the mortgage. Therefore, they turned it down.

Virginia Park is merely the tip of the iceberg: we know of other faulty inspections and faulty materials being used in AHOP projects across the country. The minister will have to face up to this sooner or later. People in Virginia Park, through their solicitor, have rightly declined this offer which would merely add to their liability.

What are the minister and the department prepared to do for the people who bought these houses through CMHC in good faith, with the assurance they had had adequate inspection? The houses have now deteriorated because of inadequate inspection and because of faulty brick. We know there is an investigation under way into allegations of pay-offs respecting CMHC inspectors. What is the minister going to do for these people. Why does he not tell us now, instead of giving us all this rhetoric?

Mr. Ouellet: Mr. Speaker, there are basic errors in the remarks of the hon. member, which was not a question at all. First, he stated that these houses had been bought through CMHC. That is absolutely untrue. Second, he said there has been wrongdoing by some officials of CMHC. I think he is too quick in his conclusion. The investigation is not complete. Everyone should have the opportunity of a fair trial before being condemned, and not as the hon. member is trying to imply. Third, the hon. member gives the impression that this is only the tip of the iceberg.

During the last 15 years, housing worth millions of dollars has been built under guarantee by CMHC. This program has been a success all over Canada. Because there is a small problem in one project, we should not do as the hon. member is trying to do and create the impression that these homes built with the assistance of CMHC are bad and our program should be reprehended.

* * *

THE CANADIAN ECONOMY

STATISTICS CANADA—REINSTATEMENT OF WHOLESALE PRICE INDEX

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is to the Minister of Finance. In view of the fact that the wholesale price index, which is the leading indicator of cost of living trends in the economy, published on Friday showed a 12.5 per cent increase, can the minister indicate why the government at this time, prior to a federal election, is cancelling this very important index reflecting cost of living trends in Canada?

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, that question concerning Statistics Canada should be directed to my colleague the Minister of Industry, Trade and Commerce. I shall inquire and give an answer to the hon. member.

[*English*]

Mr. Orlikow: Mr. Speaker, I know Statistics Canada comes under another minister, but it is the Minister of Finance who has the greatest responsibility for what the government does about the economy. This is the second important index that is being cancelled by the government, the other being the job vacancy survey.

In view of the importance of evaluating both unemployment and price trends in the economy, why is the government cancelling these important surveys just prior to a federal election?

Mr. Chrétien: On the first part of the question, Mr. Speaker, a great deal of explanation has been given in this House

with regard to the labour survey. We are provided with very good information by Statistics Canada. Sometimes the information makes it difficult for us, like everybody else, but we have to live with that. We do not want to hide anything; we want to discuss all aspects of the problem.

I hope that one day some members will report to the House some of the good statistics that come from Statistics Canada, such as the fact that we created 450,000 new jobs in the last 12 months.

Mr. Orlikow: The wholesale price index rose half a per cent in December and was 12.5 per cent higher than in December, 1977. Can the minister indicate what action he intends to take, in view of the fact the minister provided $1 billion in sales tax reductions in his last budget, which should have meant a decrease in the wholesale price index and not windfall gains for Canadian business?

Mr. Chrétien: I am very pleased with the question, Mr. Speaker. If the hon. member is saying that the half billion dollars' tax cut was not good, I remind him that the program of the NDP recommended $2 billion.

[*Translation*]

RATE AT WHICH CANADA OBTAINED LOAN OF $3 BILLION FROM AMERICAN AND EUROPEAN BANKS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is for the Minister of Finance who has now become the most important minister in light of the present economic situation of Canada. Could he tell the House the rate of interest on the loan of more than $3 billion Canada has obtained from an American or European bank consortium and against what collaterals did the country obtain such a credit margin?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, we have obtained that $3 billion credit margin from two groups. First from a Canadian group, but in American dollars, second from international banks under the leadership of an American bank. We obtained those loans by accepting to pay a certain rate of interest to maintain that credit margin, a rate I mentioned several times in the House. I do not have it here but I could provide it to the hon. member along with the collaterals we have given to our creditors. These of course are always the same, that is to say the country itself. That is the very best guaranty we can offer. Canada's credit is excellent everywhere in the world.

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question. The minister has just given a formidable reply, except that he forgot to mention the interest rate, and Canadians will certainly wonder whether it is 10, 9 or 8 per cent. Of course the minister need not quote interest rates from memory, but in view of the fact that at the same time the province of Quebec, through Mr. Parizeau, its finance minister, has obtained a credit margin of several hundred million dollars, could the minister indicate to the House whether this credit margin from the same banks, from the same American or European consortium, has been granted with the same guarantees which the minister has just spelled out.

Mr. Chrétien: Mr. Speaker, the government of the province of Quebec goes to the market like all the other provincial governments, and it borrows money from bankers which are constantly offering loans to Canadian institutions based on their credit ratings; I think that the interest rates paid by the provinces and especially by Quebec are higher than that paid by the federal government; to reply to the first question, I should add that as a rule the interest rate is already set when we borrow the money and that the interest rate in the case of international loans was less than half of one per cent over the rates charged by London banks.

Mr. Lambert (Bellechasse): Mr. Speaker, in view of the importance of the question, which you recognize as such since you allow me to ask a little supplementary question, I would like to ask the Minister of Finance if he could tell the House, since the government of Canada gets loans based on the Canadian credit and the government of Quebec also gets loans based on Canadian credit—can he tell us earnestly, I would like an earnest answer, whether it would not be advisable for our country to use profitably our Canadian bank, the Bank of Canada, to finance our country's credit at a lower interest rate than we have to pay when we have it financed by foreign banks. Would the minister be prepared to examine seriously that suggestion with a view to introducing legislation to amend the Bank of Canada Act and allow the bank to play this role at a lesser cost than we pay to foreign banks?

Mr. Chrétien: Mr. Speaker, the hon. member is proposing the theory his party has been advocating for a long time, that it would suffice to print money for all problems to be settled across the country. We have had the opportunity to discuss it very often since 1962, and I think the system proposed by the hon. member could not work in the present circumstances. No country in the world uses its national bank for that. When money is printed that way, the direct result is a very swift increase in the inflation rate.

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● (1430)

[*English*]

AGRICULTURE

ACTION TAKEN IN DEVELOPMENT OF NATIONAL FOOD POLICY

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Agriculture, and its purpose is to establish the progress or lack of progress the minister has made on developing a national food strategy or a national food policy.

About a year ago, the Minister of Agriculture and his colleague, the Minister of Consumer and Corporate Affairs, left at least the impression that great achievements and great accomplishments would be made toward the development of a national food policy. Since that time there appears to have been little, if any, progress. What action, if any, has been taken toward the development of such a strategy or policy which would encourage the growth and development of Canadian production, Canadian processing and Canadian distribution?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am a little surprised at the hon. member's question because the question period does not give me the time I would need to deal properly with this question. I could cite to the hon. member about five pages of action we have taken as a result of what the food strategy conference said we should do. I believe that over half the requests made by those at the strategy conference have been put into action.

If the hon. member wants me to do so, I can have my office bring the five pages to me so that I can read them to him; or I could send them to him.

Mr. Wise: Mr. Speaker, I would be satisfied if the minister would just give me one or two quick examples.

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

CHAIRMANSHIP OF NATIONAL FARM PRODUCTS MARKETING COUNCIL

Mr. Jack Murta (Lisgar): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. Knowing the minister's opposition to anyone outside the immediate farm community playing a prominent role in farm policy decisions, was it the minister's own decision to remove Mr. Paul Babey from the chairmanship of the National Farm Products Marketing Council and to replace him by Mrs. June Menzies, formerly of the Anti-Inflation Board, and is this part of the government's over-all food strategy proposals?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, one of the things we said we would do was put people from other parts of society on the National Farm Products Marketing Council. Mrs. June Menzies is from the province of Manitoba, another part of Canada. She has knowledge both of agriculture and of the consumer sector. I had a meeting with Mrs. Menzies this morning about the program of the National Farm Products Marketing Council.

Mr. Paul Babey, the former chairman of the National Farm Products Marketing Council, has a tremendous history of service to the rural community of Canada and to our whole society. He will make a tremendous contribution in the Farm Credit Corporation which is going through a reorganization at the present time. The knowledge Mr. Babey has will not be lost; it will be helpful to the agricultural industry in Canada and all around the world.

[Mr. Wise.]

Mr. Murta: Mr. Speaker, it is widely known that a national chicken marketing agency will be announced only after changes to the National Farm Products Marketing Council. That is the reason Mrs. Menzies is there, and that is also why Mr. Babey is in a different position.

Since the changes imply incomptence on the part of the marketing officials, and certainly some failure in terms of the minister's own policies, can farmers in this country assume that until an election is called, agricultural policy will be made in the office of the Minister of Consumer and Corporate Affairs and not in the Department of Agriculture?

Mr. Whelan: Mr. Speaker, the hon. member makes many accusations and insinuations which are not true, because the chicken broiler people themselves could not agree on how many of them should join. I am sure the hon. member is happy that Manitoba saw fit to join on about the last day before the meeting was called here. I met with all representatives when they were in Ottawa. The hon. member should also have met with them: if he had, he might understand that they are not as unhappy as he tries to imply.

I am just saying that this organization will go ahead. It will be as healthy as the Canadian Egg Marketing Agency, which is one of the most successful marketing agencies in the world at this point. The cost of eggs has contributed less to the inflationary factor than the cost of nearly any other food we eat in Canada.

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ENERGY

POSSIBILITY OF NORTH AMERICAN COMMON MARKET

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce.

Mr. Crosbie: He is not here; he is never around.

Mr. Speaker: Order. The hon. member for Halton.

Mr. Philbrook: My question is directed to the Minister of Energy, Mines and Resources. Recently, in the New York *Times*, Mr. James Reston indicated that the President of Mexico told him that he will discuss with President Carter the possibility of a North American customs union or a common market.

Considering that our three North American countries, Canada, the United States and Mexico, can help each other a great deal in terms of energy, economic development and population work, can the minister indicate whether any such discussions are going on and whether he considers this to be a good idea and a constructive approach?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I am not aware of any discussions going on with respect to a customs union or a common market: I think those were the phrases used by the hon. member. Nor am I aware of

any discussions with respect to a common market in energy, which might be part of the reason the question was asked.

There may be an interest in some quarters in the United States, but I think Canadians would want to be very chary about getting into any discussions on that kind of proposal because it seems to me that such a proposal would perhaps be no more than a disguise for a continental energy policy of a different kind.

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AGRICULTURE

SOUTHERN ALBERTA—REQUEST FOR STABILIZATION PAYMENT FOR WHITE BEANS

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I have a question for the Minister of Agriculture respecting the production of white beans under irrigation in southern Alberta. White bean production there on irrigated lands is new and very promising.

In view of the fact that bean producers there are very conscious of the recent stabilization pay-out in southwestern Ontario for reasons which also exist in the west, namely, low yields, spoilage losses due to bad harvest weather, and low prices, will the minister now authorize the same stabilization pay-out to white bean producers in southern Alberta?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member brought this matter to my attention in a conversation last week. I have asked for a report from the stabilization board. I have not received a formal report, but I have received a verbal report to the effect that we have never paid on seed beans, and there have never been any formal requests about which I know. That is the information I received in a verbal report, which might be incorrect.

When I receive a written report, I will let the hon. member know; but the information I have given was the information as of this morning at about nine o'clock. I have not been able to check this matter further.

Mr. Hargrave: Mr. Speaker, it is my understanding that there has been a pay-out in southwestern Ontario for white navy beans. So far, a similar pay-out for the same type of beans has not been authorized for southern Alberta. Also, there has not been an authorization for other varieties such as Pintos, Great Northern, and so forth.

Mr. Whelan: Mr. Speaker, I am sure the hon. member knows that there never is a pay-out unless an official request comes from a particular province or from a producer organization. I will have to find out whether an official request has been made. But I point out that it is not uncommon that payments are not made if returns from different areas meet the formula used by the stabilization board.

Just because there is a pay-out in one place does not mean that there automatically will be a pay-out in another region. We recently made payments for potatoes in the maritimes, but no payments were made for potatoes in central or western Canada. A payment was made in British Columbia because the price received by producers there was below the price set by the formula used by the stabilization board.

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● (1440)

TRANSPORT

AUTHORITY OF CANADIAN WHEAT BOARD TO PURCHASE GRAIN HOPPER CARS

Mr. Arnold Malone (Battle River): Mr. Speaker, I should like to put a question to the Minister of Transport. As the minister is aware, the Canadian Wheat Board has purchased a number of grain hopper cars. Has he checked fully the authority of the Canadian Wheat Board to make those purchases, and can he tell us whether or not there is any limit to the number of hopper cars that could potentially be purchased under whatever system there is authority to do so?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the question of their authority was checked both by the board's legal advisers and by government legal advisers as related to the kind of activity involved, and obviously is not related to any specific number.

Mr. Malone: Mr. Speaker, I put my next question to the same minister, in great concern for the use of farmers' money. I should like to ask him what distinction might be made between the hopper car, the freight engine that pulls it, the railway beds on which it runs, or the terminal ports to which they deliver. In other words, simply put, can the Canadian Wheat Board use all the farmers' money potentially to purchase anything it wants for the use of hauling or servicing of the grain industry?

Mr. Lang: The answer to that question is no, Mr. Speaker; and, of course, it is completely out of the context of any reality to put it, except perhaps to create worry.

The fact of the matter is that in this particular instance, when there was an argument among reasonable people about whether or not there was the right number of cars or slightly less than the right number of cars available in late 1979 and into 1980, the Wheat Board concluded it was better from the point of view of the farmer to be on the safe side in order to have cars, particularly for the three key months of June, October and November. They may save as much in demurrage charges at that time or in the ability to make spot sales in the annual cost of these cars, and that is the reasoning they employed. I am sure that they and I would want to insist in general upon the obligation of the railways to provide adequate equipment to carry the goods.

Oral Questions

PROPOSAL OF CANADIAN WHEAT BOARD FOR ADDITION OF 10,000 HOPPER CARS—GOVERNMENT POSITION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, on the same subject, I have a question for the minister in charge of the Canadian Wheat Board, and I use the word loosely.

Since the Canadian Wheat Board has made a proposition that 10,000 new hopper cars have to be added to the grain fleet during the next six years, and the board says that unless these additions are made over and above the 2,000 cars they are purchasing with farmers' money, exports could decline by one million tons a year, which would represent a loss of over $4 billion in the western economy, and in view of the fact that the board has said that lack of railway cars is the number one problem affecting grain exports, what action does the government intend to take about this Wheat Board proposal?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not know how the hon. member can constantly turn what is a great story of progress into a pessimistic one. What we are talking about is expanding exports by one million to 1.5 million tonnes a year from a current record level of 21 million tonnes to a level of 30 million tonnes in 1985. That is what the cars are required for.

There is, of course, room for argument about whether by that time we will need 8,000, 9,000, 10,000 or 11,000 cars. But I want the hon. member to know that I immediately responded positively to the suggestion of the Wheat Board, and indeed I will be taking up the direct suggestion of the government of Saskatchewan that we set up a ministerial task force on the subject. It looks as though the messages from the premiers of Manitoba and Alberta may be read as being positive as well, provided we broaden the subject from just the hopper cars to the whole question of dealing with the over-all grain and transportation problem.

Certainly, at the Winnipeg meeting on January 8 and 9, all the premiers saw the facts. They emerged from that meeting positive that we could do the job of carrying this grain, exporting it and selling it, and that the important thing is confidence on the part of the producers so that they will produce it. So we will get that job done, Mr. Speaker.

Mr. Benjamin: Mr. Speaker, the whole point is that the projections are for a 50 per cent increase in grain exports provided there is the capacity to move it. That is the whole point of the proposal of the Wheat Board for 10,000 more hopper cars.

Since it is not good enough for the minister to say we are doing as well as we did last year, and since the system is strained now, I should like to ask the minister whether or not he will implement the Hall commission recommendation for the Government of Canada to pay the difference between the Crowsnest or statutory grain rates and the compensatory rates, and require the railroads to purchase the rolling stock, hopper cars and locomotives, or anything else that is necessary, and save the money that he will spend on improving branch lines, save the money he is spending on branch line subsidies and on numerous other matters and require the railroads to do what section 262 of the Railway Act says he should do.

Mr. Lang: Mr. Speaker, once again I find the logic of the hon. member for Regina-Lake Centre to be extraordinary. He suggests we should save the money we are spending on branch lines, save the money we are spending on hopper cars by giving the railways twice as much money, according to that suggestion of the Hall commission. What kind of logic that is, I do not know. At least the hon. member should not call it saving.

The fact of the matter is that the Hall commission has left us with a very serious dilemma still in relation to all of the products made from grain, and more and more people in the prairies are realizing that the discrepancy between freight rates on grain and freight rates on products, including meat, means they are at a disadvantage from the point of view of processing in the prairies. Indeed, studies which governments in the prairies have had commissioned have demonstrated this to them, although they have kept those studies secret. They have demonstrated that the prairies are being disadvantaged by this discrepancy, hence the suggestion by Mr. McMurtry—during an election campaign, it is true—that the province of Saskatchewan will be prepared to pay part of the cost in relation to products.

That is the issue which I will want to discuss further with him. I made the point to him that it seemed to me important that we solve the problem in the same way in Manitoba and Alberta as in Saskatchewan, but I was delighted that he recognized at this point—as the hon. member for Regina-Lake Centre has never recognized—that the whole future of processing meat and products on the prairies depends on solving the whole problem, instead of responding to simplistic cries for giving the railways more money, thereby saving the money we are now giving the railways.

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REGIONAL ECONOMIC EXPANSION

CONSIDERATION GIVEN TO PLIGHT OF INDEPENDENT SAWMILL OPERATORS IN NORTHERN ONTARIO

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Is the minister aware of the concern expressed by the northern Ontario independent sawmill operators as a result of the plans announced by the federal and Ontario governments to give massive assistance to the pulp and paper industry? These independent operators, who employ a significant number of people and are the economic backbone of many northern Ontario communities, are fearful of being caught in a squeeze play by the big pulp and paper companies.

Can the minister assure these independents that they will continue to have a key role in the emerging new strategy for the forest products industry, and can he tell us what steps are being taken now to take into account their interests along with those of the big corporations?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Yes, indeed, Mr. Speaker, we are well aware of the concern expressed by sawmill operators and quite few other people in forestry-related industries. I can reassure them that what we have done, and what we are prepared to do, is in line with trying to cope with the difficulties which they have expressed to us.

In fact, the agreement dealing with forestry we have just signed with the government of Ontario is directly in response to the concern expressed to us regarding the threatening short supply of wood in Ontario, particularly threatening the existence of sawmill operators as well as the whole pulp and paper industry. So both programs have been developed in response not only to the concerns expressed by the operators in Ontario but also concerns throughout Canada.

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POST OFFICE

REQUEST FOR PROGRESS REPORT ON LABOUR SITUATION AT HAMILTON, ONT.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to address my question to the Postmaster General. I am pleased to note that he can flip-flop, in that previously he thought the problem in Hamilton was an internal matter and on Friday he indicated he was going to seek the advice of his legal advisers, of the Minister of Justice and the Minister of Labour, and at the same time hold an inquiry into the matter. I ask the Postmaster General whether this inquiry has taken place and what he has found out.

[*Translation*]

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, I stated clearly enough in the House the other day that utmost fairness is indicated with both management and workers, and that one should not become anti-union or anti-employer because of a case like that in Hamilton or similar ones. With regard to the allegations of harassment and abuse on the part of union leaders towards their members, I think that normal procedure, and indicating a certain amount of confidence in the sense of responsibility of certain unions, would be first of all to appeal to the regional leaders, then to the national ones and if they are not happy with the answer of the national leaders, they can then go to the Canadian Labour Congress with whom they are affiliated. But, Mr. Speaker, there is no reason to get upset if perchance they do not get what they want either from the national leaders or the Canadian Labour Congress. As the Minister of Labour said, we can see what should be done when that time comes.

● (1450)

[*English*]

Mr. Alexander: Mr. Speaker, no one is nervous on this side: we just want to find out whether the government is prepared to keep the commitment it made to postal workers when it introduced the back-to-work legislation.

With all the gobbledygook, the minister still has not answered my question. I asked whether he has obtained advice from the legal advisers to the Post Office, whether he has discussed this matter with the Minister of Justice, and whether in fact he has gone further and discussed the matter with the Minister of Labour and has caused an inquiry to be made. That was the position we were left with on Friday, and I would hope the minister would stand up now and answer that question.

Has he taken the initiative to determine what can be found out in this regard, in order that we may be able to see whether anything can be done so that the government can keep its word; or is the government going to leave these postal workers out to dry? That is all I am asking.

Mr. Lamontagne: Mr. Speaker, when it was time for the government to take its responsibilities, we took them, and Bill C-8 is proof of that. When the hon. member asks me when we will take the initiative, I would ask, in respect of what? Actually, disciplinary action has not yet been taken against Hamilton letter carriers, so what is he referring to in respect of which we have to take initiative? Let the unions take their responsibilities; if they do not take them, we will see what we can do.

* * *

PENITENTIARIES

OPTIMUM NUMBER OF PERSONS TO BE HOUSED IN INSTITUTIONS

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I should like to direct my question to the Solicitor General. In view of his recent statement regarding penitentiary services, will the minister advise the House whether he has rejected the submission of the subcommittee on the penitentiary service that institutions housing a maximum of 200 persons would be the most efficient and desirable in future planning?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I made a statement in Kamloops, I believe in the second week of December—if the hon. gentleman is not aware of it, I will send him a copy—in which I indicated what the present policy was in terms of penitentiary construction.

Mr. Patterson: Mr. Speaker, will the minister report to the House on the results of his meeting with the mayors of central and upper Fraser Valley a week ago when the announced changes as they relate to penal institutions in that area were discussed?

Mr. Blais: Mr. Speaker, I am very pleased the hon. gentleman has drawn attention to that particular meeting. Indeed, I was in Harrison Hot Springs roughly two weeks ago and met with mayors of the Valley at that time. In addition, I had the opportunity of observing for the first time the upper Fraser

Valley, and I would congratulate hon. members here from the area for having such a lovely area in which to live.

Having said that, this was a meeting not only with myself but with my officials. From the report I received during the occasion of a luncheon I had with the mayors, I understand that all the differences there might have been prior to the meeting have now been ironed out.

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FISHERIES

INTERNATIONAL CONFORMITY WITH CANADA'S 200-MILE LIMIT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Fisheries and the Environment. As the minister is aware, four members of the European Economic Community who are members of ICNAF, namely, West Germany, France, Denmark and Great Britain, served notice that they would be withdrawing from ICNAF effective December 31, 1978, on the assumption that NAFO would come into force on January 1, 1979.

Will the minister assure the House that fishing in 1979 beyond the 200-mile limit is being carried out by these countries in conformity with internationally agreed regulations and, if not, are these countries conforming to any regulations and is he still licensing them to operate within our 200-mile limit?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I will have to check on the number of signatories to the NAFO agreement to see to what extent it is operative at the present time. I apologize to the hon. member, and I will check and give him the information.

Mr. Crouse: Mr. Speaker, I thank the minister for that answer. While he is checking his figures on the EEC fishing activities inside as well as outside the 200-mile zone, will he also check and give the House an up to date answer on quotas that have been arranged for Norway in respect of shrimp fishing off the Labrador coast, as that is a question which is still unresolved in so far as agreements are concerned with Nova Scotia, New Brunswick and Newfoundland—in fact, with the entire Atlantic coast?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, Norway is one of the countries—in fact, it was the first—with which Canada signed a bilateral agreement in respect of fisheries matters. There may be Norwegian vessels involved under charter, but I will have to check the exact facts. I know Norway could be a player in the Davis Strait. This is where Canada also has some interest.

ENERGY

OIL SUPPLIES FROM MEXICO AND WESTERN CANADA TO EASTERN CANADA—GOVERNMENT PLANS

Mr. Maurice Foster (Algoma): Mr. Speaker, I would like to direct my question to the Minister of Energy, Mines and Resources. In view of Iranian oil supplies being cut off to Canada during the last couple of months, which amounted to about 24 per cent of our supply of oil from offshore, is the government planning to provide greater supplies of oil from western Canada? I should also like to know whether negotiations for Mexican supplies of oil are going on rapidly enough for those supplies to be available to eastern Canada this summer and fall without shortages.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, Canadian supplies from western Canada have been increased recently under temporary arrangements. These Canadian supplies are displacing crude to the Chicago market; that is, crude which otherwise would have been supplied from offshore to the Chicago market. That crude is now going to eastern Canadian refineries. So, in fact, additional quantities of Canadian crude are being moved into eastern Canada through this exchange arrangement.

As to the Mexican situation, a Canadian delegation was in Mexico last week to conclude the arrangements that were negotiated by myself early in January. This delegation, composed of Canadian officials including representatives of Petro-Canada, who are dealing with the national oil company of Mexico, have reported to me that negotiations are going very well and I am optimistic that it will be possible to announce an agreement in respect of a major contract with Mexico very shortly. I would expect that supply should begin to run by the end of this year.

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PUBLIC ACCOUNTS

AUDITOR GENERAL'S RECOMMENDATIONS ON FORM OF ESTIMATES

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the President of the Treasury Board. The minister will be aware of a controversy at the public accounts committee meeting of last week in respect of a question as to whether the Secretary of the Treasury Board or the Comptroller-General would be responsible for implementing the Auditor General's recommendations on the form of the estimates.

Given the commitment made by the minister's predecessor during the debate on the comptroller-general bill, that the form of the estimates would be the responsibility of the Comptroller-General, will the minister indicate why the commitment was altered between that time last year when the bill was debated, and the recent past?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, I do not believe that the commitment, in fact, has been altered. Obviously, there are overlapping concerns here. The question of resources is very crucial as far as the form of the estimates is concerned and this is a responsibility of the Treasury Board secretariat.

As the hon. member points out, the Comptroller-General is very concerned from the point of view of financial management, and form as well. These two gentlemen are discussing the matter and I am certain it will be resolved satisfactorily.

Mr. Andre: Mr. Speaker, I would refer the minister to the testimony of his predecessor before the committee on miscellaneous estimates at the time the comptroller-general bill was adopted. At that time his predecessor, while refusing to have the responsibilities of the Comptroller-General written into the act, did make certain commitments as to his responsibilities.

What assurance will the minister give us now that there will not be any further erosion of the responsibilities that the Comptroller-General must have if he is to fulfil the important job outlined in the Auditor General's report?

● (1500)

Mr. Buchanan: Mr. Speaker, there is absolutely no intention to erode or undermine the responsibilities of the Comptroller-General. I would like to state very clearly that there is an overlapping of interests in the form of the estimates as they relate to the use of resources and financial management.

Mr. Alexander: Who is boss?

Mr. Buchanan: So both the secretariat, in other words, the Secretary to the Treasury Board, and the Comptroller-General have a very vital and ongoing interest in the form of the estimates.

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NORTHERN PIPELINES

ANTICIPATED DELAY IN CONSTRUCTION OF ALASKA HIGHWAY PIPELINE—CANADA-U.S. AGREEMENT

Mr. Erik Nielsen (Yukon): Mr. Speaker, I would like to add a question to the one asked by the chairman of the Standing Committee on Northern Pipelines. I have been waiting for two weeks to address this question to the minister responsible for northern pipelines, but in his absence and in the absence of the Minister of Indian Affairs and Northern Development I will direct it to the Minister of Energy, Mines and Resources.

Given the minister's answer to an hon. member on his side of the House with respect to energy sources, and given the positive statements which have been made recently concerning delays in the construction of the Alaska Highway pipeline, can the minister confirm that there will, in fact, be a delay reaching into 1983, 1984 and 1985 before that pipeline is on stream? If he can confirm, on behalf of the government, that there will be at least a year's delay, will he inform the House whether it is the intention of the government to effect an exchange of notes between the Government of Canada and the government of the United States in order to amend the terms of the international agreement respecting that pipeline?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I understand the hon. member's concern over the pace of events. We, too, are concerned with the regulatory difficulties south of the border. Recently, I received advice that the federal energy regulatory commission had made a finding with respect to the processing costs of Prudhoe Bay gas, and this is one of the first steps which must be settled. This deals with what the net effect will be on producers of gas produced in Alaska.

That process has not yet been completed. I am told that the finding is reviewable up to, I believe, March 9 and then there is a further period of some two weeks available for further representations.

I very much hope that it will be possible for the United States authorities to settle on this basic question of what the price will be to the producers in Alaska, but until that issue is settled and until the issue with respect to the price to the consumers is settled, there will be difficulties and delays and it will not be possible for a financing plan to be put into place.

Mr. Speaker: I was in the process of recognizing the hon. member for Winnipeg North Centre to conclude the question period when I allowed the previous question which, quite legitimately, took a little longer than I expected. I wonder if I could ask the hon. member for Winnipeg North Centre to conclude the question period with one question.

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VETERANS AFFAIRS

INTRODUCTION OF MEASURES TO IMPROVE PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is to the Minister of Veterans Affairs. Last Thursday, I put a question to the deputy House leader, urging him to use his persuasive powers with the government House leader and other members of the cabinet to get time in this session for some legislation relating to veterans affairs. I was told to present my case to the minister.

Therefore, I now put my question to the minister. In view of the fact that there are three or four outstanding items, such as the 48 per cent rule as it affects widows, revising the War Veterans Allowance Act, keeping the disability pension rate in line with the composite wage in the public service, and so on, with which it would be desirable to deal before this parliament ends, will the minister do his best to bring before cabinet one or more of these issues so that parliament can deal with them in the name of our veterans before this session ends.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I know that the hon. member has a deep interest

in veterans affairs, and I certainly appreciate it. With regard to the items the hon. member has mentioned, they are all under consideration and if anything can be done within the time he has mentioned, we will be more than glad to do it.

Mr. Knowles (Winnipeg North Centre): Ten o'clock.

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PRIVILEGE

MR. McKENZIE—USE OF PICTURE OF GOVERNOR GENERAL AND FAMILY IN LIBERAL PARTY CAMPAIGN LITERATURE—RULING BY MR. SPEAKER

Mr. Speaker: Order, please. Last Friday the hon. member for Winnipeg South Centre (Mr. McKenzie) gave notice of his intention to raise by way of a question of privilege a matter dealing with the printing of a document, which he then produced in the House, to determine first of all whether or not there was a question of privilege and, secondly, whether there was some responsibility in the administration of the House of Commons for the printing of the document. The hon. member followed up by giving me the text of a proposed motion which he would move in order that I could make a finding that the matter on a preliminary basis did touch the privileges of a member. His draft motion is as follows:

> That the publication by the Liberal party of the pamphlet entitled "Parliamentary Report" be referred to the Standing Committee on Privileges and Elections with instructions that the said standing committee study the format and subject matter of the said pamphlet and report back to the House as to whether the said pamphlet offends the office of the Governor General according to traditional usage and custom.

According to the hon. member's remarks on Friday, matter in question appeared to be election material used by the Liberal party and containing a picture of the Governor General and his wife. In addition, the hon. member indicated that this would appear to be a blatant misuse of the office of the Governor General. The hon. member asked whether the printing of the document was done by the House of Commons facilities or whether it was authorized by me, and if not, by whom.

I can dispose immediately of the matter as a proposed question of privilege. It has been said time and time again that the law of parliamentary privilege is restrictive in nature in that it consists in the main of rights which are necessary for the execution of the powers of parliament, that privileges are enjoyed by individual members in order that members may carry on their functions in an unimpeded way. In order to constitute interference with that privilege, there has to be an obstruction of the basic ability of a member to perform those duties or, alternatively, there has to be some kind of contempt.

Whatever else it may be, it is clear to me that the production and circulation of this particular document would not appear to constitute a breach of parliamentary privilege as such.

That having been said, the hon. member also asked me to determine the authorization for the printing of the document

and interesting and important questions with respect to the provision of services by the House of Commons raised by this matter, in that the production of what we refer to as householder mailings is carried on as a service of the House to its members. I think all hon. members understand that this is a service to them to be taken advantage of up to four times a year in order that the member may provide information to his constituents, constituents of all political persuasions, about the events taking place here in parliament.

Bearing in mind that the function is informational in nature, that it is for constituents of all political persuasions and that it is provided not at party expense but at public expense through the estimates of parliament, it is obvious that the document must have certain guidelines which fulfil the expectations of this kind of program. Indeed, these guidelines have been established, and I believe that most hon. members are familiar with them, although it has been some time since they have been discussed here in the House.

Perhaps it would be useful to repeat that there are restrictions with respect to the size of the document, the number of pages in each and the total number to be authorized over a fiscal year. I will not go into details, but those are some of the basic requirements set down in the guidelines available.

In general, under these criteria a householder mailing is acceptable, provided it does not include a text which (a) requests adhesion to a party, (b) invites constituents to attend national or constituency political meetings or functions, (c) requests monetary contributions, or (d) contains election campaign material including election speeches, poll activities and lists—in other words, material which is more specifically the responsibility of party or constituency headquarters.

• (1510)

These guidelines, which are reviewed from time to time, have been put in place after the most thorough consideration by the Standing Committee on Management and Members' Services and, in general, seem to have fulfilled their purposes well. I do not need to remind hon. members that the membership of the Standing Committee on Management and Members' Services consists of members of all parties in the House.

There is a continuing consultation between the committee and the offices of hon. members on the one hand, the printing service on the other hand, and, of recent years, between the party research units and the printing units along the same lines. In that respect the practice of consultation between the party research units and the printing units in terms of doing something of a general nature which might be used to the advantage of an individual member or of a particular party is not an uncommon practice.

I have inspected the document referred to by the hon. member carefully. It is a proposed constituency mailing which begins with a photograph of His Excellency the Governor General and Her Excellency on the occasion of the installation of the Governor General, with a space for a photograph of the member sending the document. It is followed by a further photograph of His Excellency together with a short biograph-

ical sketch and some opinions concerning the proposed attitude to be taken by His Excellency on the question of national unity. The remainder of the proposed mailing is quite in accordance with the usual reports made by members to their constituents dealing with topics such as the federal-provincial conference, various committees of the House, the legislative proposals before parliament and so on.

I was interested to find that this is not the first occasion in which mailings by members have alluded to the office and person of the Governor General and of Her Majesty the Queen.

The question I have to determine is whether or not the proposed mailing is in contravention of the guidelines as they exist at the present time. In my opinion, it is not. By definition, parliament is composed of the Governor General, the Senate and the House of Commons, and it would seem to me therefore that the publication is in essence parliamentary in nature. It seems to me, on inquiry, that the official in the printing unit who did not feel that the proposed publication contravened the established guidelines which would have resulted in his bringing the document to the attention of his superiors was acting within the guidelines as he understood them, and as I understand them.

As I have previously said, these guidelines, which have been most helpful to hon. members, are in existence as a result of careful consultation with the Standing Committee on Management and Members' Services. The committee may, in its wisdom, wish to consider the guidelines again and be more restrictive, if that is their desire; but for the time being I must tell the hon. member that, according to the criteria now in force, the mailing is acceptable.

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege, not for a moment questioning the Chair's ruling that has just been given but merely to express my disappointment that you, sir, did not invite submissions on the question raised by the hon. member. It is, in my submission, a long standing custom of the Chair to hear submissions on the question whether or not there exists a substantive question of privilege for the Chair to rule upon.

Mr. Speaker: Order, please. Obviously, I do not want to prolong this, but I did indicate to the hon. member on Friday when he raised the point that I did not, in a preliminary way, see any way in which it came within the privileges of the House. I did undertake to look at it, however, and see if it did. I thought in the circumstances that there would be no point in indicating that I did see some way in which this appeared to come within privilege.

There may be other arguments about the content of the document and whether it conforms to the guidelines in the way that I have said, but I cannot see that it constitutes, even in a very basic sense, a question of privilege. I thought I ought to set that argument aside right away.

I put the other remarks on the record in terms of the printing of the document because it and other matters have come up from time to time about, perhaps, taste, quality and things of that sort. I think it falls squarely within the ambit of the Standing Committee on Management and Members' Services and the guidelines as we know them. I could not in any way pretend that it constituted a question of privilege.

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POINTS OF ORDER

MR. McGRATH—CMHC OFFICIALS—ALLEGATIONS OF WRONG-DOING

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a point of order. I am sorry that the Minister of Public Works and Minister of State for Urban Affairs (Mr. Ouellet) is not in the House because my point of order relates to his reply to my question, or what appeared to be a reply, although in fact he evaded my question. In replying he accused me of making accusations that there was wrongdoing on the part of officials of CMHC.

I have since checked the record, Mr. Speaker. I did not accuse anybody of wrongdoing; rather, I referred to the serious allegations of wrongdoing. The minister is supposed to be a lawyer and he knows the difference. I am sure that upon reflection he would probably want to correct the record.

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I will check the record myself. The hon. member said he checked it. If indeed it has to be corrected, I will correct it gladly.

MR. DIEFENBAKER—USE OF PICTURE OF GOVERNOR GENERAL AND FAMILY IN LIBERAL PARTY COMPAIGN LITERATURE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, arising out of your decision today, and in no way challenging it in so far as it went, I am very deeply concerned about this whole question.

I speak as one who has been here a long while. I have never brought up a matter like this before. I am the only living Canadian member of Her Majesty's Privy Council. The last was the Right Hon. Mr. Pearson. During his period of office he brought about a change whereby thereafter there would be no such award available to Canadians—he had already secured it—and that the title "right honourable" would apply to all prime ministers, the Chief Justice of Canada and the Governor General.

It is not with regard to the matters your Honour has dealt with that I wish to speak. This document is a shocking example of endeavouring to place the Governor General of Canada in a position of being—

Some hon. Members: Order, order.

Mr. Diefenbaker: They know they are wrong and that is why they are starting to groan. It is music to the gambler's ear to hear the suckers roar!

Since 1867 there has never been another example—and I have looked through the records—in which the governor general has been placed in the invidious position that he will be as a result of this document. It is entitled "Parliamentary Report", as your Honour said, and has a photograph of the Governor General and his lady on the front page. On the next page it reads as follows:

Dear Constituents:

Canada's new Governor General has announced that his first official action will be a tour across Canada to discuss national unity.

We Liberals applaud his decision. Unity is, of course, a pressing national concern. More importantly, though, we like his way of tackling the problem: by asking average Canadians what they think.

The Governor General is the representative of Her Majesty the Queen. No monarch of Canada or of the United Kingdom has ever been able to ascertain by personal inquiry and public visitation the thought of the people. The document goes on:

We call it "consultation".

I call it deception. It goes on:

It's something we've been practising for quite a while.

If they had, Mr. Speaker, this is the first time it has been revealed. The next page is headed "Canada's dynamic Governor General" and under a photograph the text reads:

Governor General Edward Schreyer promises to give a very different look to the highest office in the land.

He is the representative of the Queen and cannot do what the Queen cannot do.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Let that be clear and definite.

Mr. Speaker: Order, please. I just want to make sure that in proceeding on this subject we are in order. The hon. member raised it first as a question of privilege. I think the House can understand that I had an obligation to set it aside as a matter of privilege. It does not touch on a matter of privilege. The right hon. member now has the floor and I shall soon have to determine the basis upon which he is bringing it again to the attention of the House. He seems to be indicating that the text refers to some things that the Governor General may have undertaken to do which he cannot do. I do not know, but, if so, I must have some basis upon which I can, in the Chair of this House, receive these kinds of arguments in an orderly way.

● (1520)

Mr. Diefenbaker: Mr. Speaker, I realized the difficulty when I rose. Parliament consists of the Queen, the Senate and the House of Commons. The Queen has as her representative the Governor General, who cannot be brought into party politics. Otherwise parliament would be destroyed.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The point I make is this. I realize the difficulty with the rules, but if the government is allowed to get away with this, it amounts to an endeavour on the part of the Government of Canada, by inference or suggestion, to lead people into believing that the Governor General is a close ally of the Liberal party.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: That is what it amounts to.

Mr. Speaker: With respect to the question of the right hon. gentleman regarding the recent installation of the Governor General, as he has pointed out, and as I said in my remarks, parliament consists of three institutions, the Governor General, the Senate and the House of Commons. If as part of a householder mailing a member of the House had proposed to put the picture of this installation on the front page and to report as a parliamentary event the entire installation proceedings, I think the House will realize that, if that is acceptable, then to indicate that some reference to that is not acceptable puts us in a position of making an editorial decision, which is an extremely onerous responsibility for the House officials to accept.

In my opinion, that is the crux of the problem. I do not see the procedural basis upon which we can interfere, unless there is some suggestion that we editorialize.

Mr. Diefenbaker: Mr. Speaker, I realize that, but I come back to this point, that I cannot believe that the Governor General of Canada agreed to this.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: After all the pamphlet quotes the Governor General as saying:

In accepting the office, Mr. Schreyer promised to be a travelling governor general, "the kind you'll see less in Ottawa and more in towns like Corner Brook and Meadowview."

It goes on to say:

On these trips, he will speak out on national issues—

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Applause comes from those who are ignorant of the powers of the monarchy and its representatives. I repeat, the article goes on to say: "On these trips, he will speak out on national issues—such as unity"—he has no right to do that.

An hon. Member: Why not?

Some hon. Members: Hear, hear!

Mr. Diefenbaker: It continues: bilingualism—he has no right to do that—"and energy." This is the subject of controversial debate in every part of the country. The article concludes by saying: "—from the non-partisan perspective of a concerned Canadian."

Allow this unchallenged, sir, and you have the Governor General as a participant in political considerations which dare not be permitted; and I feel absolutely sure that the Governor General never consented to this. Who asked him whether this would be proper? What was his response? Sir, allow this and

the Governor General is no longer the representative of the Queen. He will no longer occupy the position that governors general have exercised throughout the years. He has become an instrument where, by subtle wording, he is placed in the position of being an ally to one of the political parties.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Once again I have to restate that I am unaware of any procedural basis on which we can have this matter before us. In the interests of equal time, I will allow the minister to make some short contribution.

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): Mr. Speaker, I rise with great deference to the right hon. member for Prince Albert (Mr. Diefenbaker), a person and parliamentarian for whom I have a great deal of respect, as he and I think all members know. He finds it rather shocking to think that use was made of the office of the Governor General to acquaint Canadians with him and his office and his swearing in ceremony. That is considered a partisan approach. I find that difficult to understand.

I would like to point out to the House through you, Mr. Speaker, that this is not the first time, as you have already pointed out, where householder mailings have used photographs and references to the monarchy of Canada. In front of me I have a photostat of a householder mailing put out by the hon. member for Hastings (Mr. Ellis) dated December 1977. At the bottom of the page there is a photograph of the hon. member, others and the Queen. Below the photograph, in what I think are rather presumptuous terms, it says:

Her Majesty enjoying a few moments with the Member from Hastings and others after the Official Opening of Parliament.

Some hon. Members: Oh, oh!

Mr. Cafik: I am not sure the Queen authorized the use of the photograph or would admit that it was a few moments of enjoyment to be with the hon. member for Hastings.

Some hon. Members: Oh, oh!

Mr. Cafik: In addition to that, on the same page under the heading "The Queen's Visit" it says:

It was a pleasure and privilege to welcome Queen Elizabeth and her husband, Prince Philip, to the nation's capital for this great and historic ceremony.

I would suspect that it was not the hon. member for Hastings who unilaterally extended that welcome to the Queen and her husband.

An hon. Member: He did not appoint them either.

Mr. Cafik: Of course he did not appoint them. I should point out that it was not the Government of Canada that appointed the present Governor General of Canada; it was the Queen of Canada who made that appointment.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Cafik: And we happen to think that she made a very wise choice in choosing the person she did.

An hon. Member: Are we expected to believe that?

Mr. Cafik: To say the use of such photographs or references to Her Majesty or her representative is drawing either the Queen or her representative into partisan politics, I think is doing a disservice to both of them. They would not be drawn into partisan politics in their lofty positions. I think the right hon. gentleman from Prince Albert realizes that. There is nothing in this report, in my judgment, that makes any kind of suggestion that the Governor General is a Liberal. I believe traditionally everyone would suspect that he was not prior to taking office. There is no attempt whatsoever to draw the Governor General into any partisan role. It is the opposition that is attempting to draw the monarchy into a partisan role on this occasion, not the Government of Canada, and certainly not any member on this side of the House.

Mr. Speaker: Order, please. I think we have gone as far as we can in the interests of equality. If the matter is to come back before the House it will have to be on some regular, procedural basis. I do not see any way within our practices that we can carry on this discussion any further at this time.

MR. HOGAN—LABOUR FORCE SURVEY—REPLY BY MINISTER OF FINANCE DURING QUESTION PERIOD

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I am sure that the Minister of Finance (Mr. Chrétien), who has left the chamber, would not want to leave the impression he did leave with the people of Canada today when he answered a supplementary question put by the hon. member for Winnipeg North (Mr. Orlikow) concerning the wholesale price index, which had shown a 12.5 per cent increase. The hon. member said that this was the second type of survey that had been dropped by the government prior to the election, the other one being the job vacancy survey. In answer the minister said there has been a lot of discussion and debate about the labour force survey.

The minister is not in charge of Statistics Canada, but the Minister of Industry, Trade and Commerce (Mr. Horner) is. He should know as the chief policymaker—if he still is; it is not quite clear what role he has in view of the establishment of the Board of Economic Development Ministers, although he is an ex-officio member—the distinction between the labour survey that was changed this year in which the population sample was increased and the job vacancy survey.

While there have been a lot of questions concerning the labour force survey, very few members have brought up the job vacancy survey, which is exclusively the measure of the demand side of labour. This survey was cut out. During the debate we had on unemployment insurance, as a member of the committee I asked the deputy minister of employment and immigration why the government cut out this job vacancy survey at this particular time. His answer was that he did not know, that he and the Department of Employment and Immi-

gration had wanted it and that it was a decision of Treasury Board. Therefore, the minister should clear up for the House the distinction between the labour force survey that was changed, the taking out of the job vacancy survey and the taking out of the wholesale price index, both of which can be and have been very embarrassing to this government in the last year.

● (1530)

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I understand the hon. member does not agree with the Minister of Finance (Mr. Chrétien); however, I fail to see how this constitutes a point of order.

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN CONSTITUTION

TABLING OF SECOND LIST OF ITEMS FOR CONTINUING REVIEW

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, on behalf of the Prime Minister (Mr. Trudeau) I wish to table under the provisions of Standing Order 41(2) copies in both official languages of the second list of items for study in the continuing constitutional review as well as explanatory notes on the 11 items in the second list.

* * *

TRANSPORTATION ACCIDENT INVESTIGATION ACT

MEASURE TO ESTABLISH OFFICE OF COMMISSIONER

Hon. Otto E. Lang (Minister of Transport) moved for leave to introduce Bill C-40, respecting the establishment of the Office of the Commissioner of Transportation Accident Investigation.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: 590, 778, 789, 834, 883, 884 and 897.

[Mr. Hogan.]

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

[*Text*]

INGAMO HALL, INUVIK

Question No. 590—**Mr. Holmes:**

1. Has the construction of Ingamoo Hall been completed and (a) if so, what was the total cost (b) if not, what is the cost to date?

2. Which funding agencies contributed to the project and in what amounts?

3. Has an audited statement of the project been prepared and, if so, by whom?

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development): 1. Yes, the completion date was December 31, 1977.

(a) $429,531.58.

(b) Not applicable.

2. Funding was contributed to the project by:

Department of Indian Affairs and Northern Development	$198,000
Department of Secretary of State	95,000
Territorial Government—N.W.T.	10,000
C.O.P.E. (local donors)	60,000
Band loan	80,000
Total contributions:	$443,000

3. An audited statement of the project, dated January 31, 1978, was prepared by: Walter A. Dawson, Chartered Accountant, Fort Nelson, British Columbia.

1979—INTERNATIONAL YEAR OF THE CHILD

Question No. 778—**Mr. Howie:**

Has the Minister of National Health and Welfare established a commission or committee to perform any function related to the United Nations Declaration of 1979 as the Year of the Child and, if so (a) what amount is budgeted for this purpose (b) what are the names of the members?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned: Yes. The Canadian Commission for the International Year of the Child has been established to co-ordinate Canadian activities for the year.

(a) A contribution of $250,000 is being made by Health and Welfare Canada toward the administrative expenses of the commission. The commission will also administer and distribute a $1,000,000 grant from the federal government for IYC projects and activities.

(b) A list of commission members is given below.

Chairperson

Judge Doris Ogilvie

Executive Committee	Finance Committee
Judge Doris Ogilvie (Chairperson)	Stewart Sutcliffe (Chairperson)
Peter Lea	Ian Lithgow
Ian Lithgow	Leo Duguay
Pat MacKay	David Hahn
Mona Nelson	Rick Ryan

Landon Pearson
Phyllis Yaffe

Communications Committee	Project Funding Committee
Landon Pearson (Chairperson)	Phyllis Yaffe (Chairperson)
Madeleine Dubuc	Louise Gosselin
Betty Nickerson	Hannah Polowy
Barry Flemming	Doris Ronnenberg
Ernie Steele	Mary Wilson
Ruth Bell	Jane McKinnon
Norman G. Campbell	Lucille Mercier
Leah D'Argencourt	Mona Nelson
Mary Jo Dawe	Betty Nickerson
Dolores Denault	Landon Pearson
Frank Dornstauder	Hannah Polowy
Fred Metlewsky (alternate)	
Madeleine Dubuc	Shirley Post
Leo Duguay	Monique Proulx
Bob Barker (alternate)	
Barry Flemming	Doris Ronnenberg
Eva Goldenberg	Robert Roy
John Green	Rick Ryan
Louise G. Gosselin	Dr. John Schaller
Audrey Griffiths	Frank Simms Marvin McNutt (alternate)
David Hahn	Ernie Steele
Connie Hawley	Trudy Usher
Jean-Jacques Jauniaux	John A. Walker
Peter Lea	Dr. Norman Watts
Ian Lithgow	Bea Williams
Pat MacKay	Mary Wilson
Lawrence McArdle	Phyllis Yaffe

RCMP REGIONAL HEADQUARTERS, FREDERICTON, NEW BRUNSWICK

Question No. 789—**Mr. Howie:**

What is the current status of the RCMP regional headquarters planned for Fredericton, New Brunswick?

Hon. J.-J. Blais (Solicitor General): Treasury Board approval will soon be sought to proceed, in 1979/80, with the drafting of the plans and specifications. Actual construction is planned to begin in 1980/81.

EXPENDITURES IN CONSTITUENCY OF RICHMOND

Question No. 834—**Mr. Beaudoin:**

1. Since 1968, did the Ministry of State (Fitness and Amateur Sport) finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Ministry planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): In so far as the Minister of State (Fitness and Amateur Sport) is concerned: 1. Because Fitness and Amateur Sport Branch contributions are directed primarily to national sport governing bodies and national recreation associations, it is impossible to attribute such contributions to specific constituencies. Our athlete assistance program does involve direct payments to individuals, but to date there have been no contributions to individuals in the constituency of Richmond, Québec.

2. Direct support is provided to high performance athletes who achieve "carded" status with their respective national sport governing body. The value and beneficiaries of such support cannot be predicted.

SOLAR ENERGY—NRC

Question No. 883—**Mr. Howie:**

For the fiscal year ended March 31, 1978, what amount was spent by NRC on projects related to solar energy?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): In so far as the National Research Council is concerned the reply is as follows: $1,890,552.

WIND GENERATION—NRC

Question No. 884—**Mr. Howie:**

For the fiscal year ended March 31, 1978, what amount was spent by NRC on wind generated electric energy projects?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): In so far as the National Research Council is concerned the reply is as follows: $692,134.

SMALL INDUSTRIES FINANCIAL ASSISTANCE

Question No. 897—**Mr. Howie:**

For the fiscal year ended March 31, 1978, how many firms were assisted under the DREE-New Brunswick agreement under the Small Industries Financial Assistance Programme?

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 79.

[*Translation*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (SUPERANNUATION) AMENDMENT ACT, 1978

MEASURE TO CHANGE RETIREMENT BENEFIT PROVISIONS

The House resumed from Thursday, February 8, consideration of the motion of Mr. Buchanan that Bill C-12, to amend the Supplementary Retirement Benefits Act, the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act and the Members of Parliament Retiring Allowances Act, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when I got to my feet in this debate Thursday night, there were only about ten minutes left so I was not able to do much more than make some introductory remarks. I hope that even in those remarks I made it clear that we feel very strongly that the principle of the indexation of pensions is sound. We are glad that we have won the implementation of that principle, at least to some extent. We hope the day will come when it will apply to all pensions, both in the public and in the private sector.

So far as the public sector is concerned, we have full indexation of old age security, the guaranteed income supplement, other pension programs such as the Canada Pension Plan, the disability pension that is paid to war veterans, and the war veterans allowance. We also have it with respect to the family allowance, even though we lost some of the indexation when in January of this year the basic family allowance payment was put back to $20.

The fact is that we have a fair amount of indexation of pensions that are available, if they meet the conditions, to all the people of Canada. The indexing of pensions of retired public servants, retired personnel of the Canadian Armed Forces, the Royal Canadian Mounted Police and so on, is not the only example of indexing of pensions in the public sector.

As I say, we take very strongly the position not only that indexing of pensions is sound, but that, without indexing, pensions are not really pensions. What point is there to a person being given a certain amount to live on at the time of his retirement if the amount has to stay at that level no matter what happens to the cost of living? In the course of a few years, a pension that is not indexed can become no pension at all.

I urge very strongly that the direction in which we should be moving should not be to respond to the campaign that wants to cut out the indexing of public service pensions. We should be moving in the direction of finding ways to guarantee that the pensions of all Canadians, whether they are public or private, are subject to indexation.

As I said the other evening, another direction in which we should be moving is that of making indexation something that is related not just to the rise in the cost of living but to the rise in the standard of living. It is my view that it is not good enough to say to a person who has retired that he will get enough money to buy for the rest of his years the basket of goods and services he can buy at that point, when everybody else in society is winning wage increases and an opportunity to share to some extent in the nation's increasing productivity.

I know that once we talk about pension indexing of that sort there are those who come back and ask us what it will cost. We are shown long advertisements and given long treatises on the amounts of money that are in various funds and so on. After the years that I have been studying and dealing with pensions, I have come to the conclusion that these funds are really a myth. After all, in most cases so-called pension funds are figures on pieces of paper. What really counts when pensions are being paid is the productiveness of the economy at the time those pensions are paid.

If you grant to a person a pension of $1 million a year and there is no economy producing goods and services in which that money is worth anything, the pension is worthless. Pensions are paid out of current production.

What we do in our whole scheme of pensions is to set up machinery whereby the part of the economy that is working produces enough for itself, for its children who have not yet gone to work and for the older people who have done their share of the work and have retired.

This attempt to fall back on myths about funds is a false view of the whole thing. What we should be concerned about is the fact that it is our responsibility as a society not only to provide for the retirement years of all our people, but to provide for that retirement on a basis that will enable them not just to keep up with the cost of living, but to continue to share in the rising standard of living.

I used the phrase the other night that I wanted all Canadians to be part of the Canadian family. In any family situation, you do not distinguish between the different members of that family by age or any other characteristic. You do as well as you can with what you have for all the members of that family. We should do as well as we can for all members of the Canadian family. That means that our retired people are entitled not only to pensions, but to have those pensions escalated to enable them to share in the growing productivity which, after all, they helped to make possible through their years of work.

We are proud of the role we have played—and I had something to say about this in a reflective mood the other night—in getting the escalation of various kinds of pensions established. We decry as strongly as we can the campaign that some are waging to try and turn back the clock.

● (1540)

Having said that, may I make a few comments about the bill before us. In so doing, I should like to deal with some of its specific provisions. I begin by saying I would be happy if the bill were not before us at all; I would be quite happy if we continued with the present plan which calls for full indexing of

the various pensions covered by the Supplementary Retirement Benefits Act. However, there has been a vicious campaign and many people have been taken in by arguments that certain individuals are being favoured as opposed to others. So there is a campaign to do something. This bill is an attempt on the part of the government to answer that criticism, to retain the principle of indexation as applied to the pensions of all those covered by the plans under the aegis of the government, and yet to relate the payments in some way to the figures on the books which correspond to what persons have contributed out of their wages and salaries toward their retirement. In the light of that campaign which has gone on, I think the bill has to be described as one which it would be reasonable for us to accept.

There are some changes I should like to see made and there are some comments I wish to make during the committee stage, but one of the reasons I accept this measure is the suspicion that, if we fail to do so, then down the road we might get something worse. So we had better grab while we can a way of preserving the principle of indexation even if it means a slight reduction of the amount which some of those in the upper reaches of the public service are able to enjoy.

The bill covers three main areas affecting pensions of public servants, armed forces personnel and retired RCMP personnel, but perhaps I might say before going into this aspect that the other provisions in the bill are quite acceptable. I refer to the part of the bill which sets up pension arrangements for air traffic controllers and to the clauses which iron out a few technicalities in the Supplementary Benefits Retirement Act and related pieces of legislation.

Now to get to the three main things which the bill does with regard to pensions covered by the Supplementary Retirement Benefits Act. They are, first, a change with respect to the amount of indexation one gets in the first January of his retirement. Then there is something with respect to those who are able to retire at age 55 after 30 years of service; and then there is the triennial scheme which is at the heart of this proposal.

As far as the change to a monthly or *pro rata* basis for the first pension indexation is concerned, I think this has to be regarded as reasonable. I know that some of the public service organizations which have produced briefs in connection with this bill have objected even to that. I read the briefs closely to see what those objections were. One was along the line that there are shortcomings in the plan as it is because pensions are based on a six-year average instead of three years or less, and that in a time of inflation retiring public servants do not get the amount of pension they should enjoy. In these circumstances it is argued that the ability to retire in October, November of December and benefit from indexation in January makes up for some of the shortfall they have suffered.

For my part, Mr. Speaker, I think it would be far better to correct the mistakes and make changes where the amount of the pension itself is not good enough than to continue with a system which seems to involve a degree of unfairness as between employees who retire at different times during the year. I am certainly prepared to listen to those who want to argue against such a change, but on the face of it I think it must be said there is some argument in favour of it. The proposal is that persons who retired during the latter part of the year should get indexation in January on a *pro rata* basis in respect of the number of months they have worked in that last years. That seems reasonable.

The second thing this bill does raises some complications. A few years ago a provision was made that if a person was 55 years of age and had 30 years' service he could not only retire but could get immediate indexation. We understand, of course, that people can retire early under other conditions as well. The provision to which I have just referred has been in effect for a few years and there have been some rather notorious cases. I shall not put names on record; some of those names are too well-known. However, a few favoured persons with 30 years' service have been able to retire, get immediate indexation and then go straight off to other jobs.

It is to correct this abuse that the government has decided that from now on indexation will begin only at age 60. Even that statement has to be qualified. Persons already getting indexation at an earlier age will continue to receive it and people who would be getting it during the next year or so will be covered by a notch formula. It is still true, and will be true, that persons retired for medical reasons will receive indexation right away, as will widows of pensioners even though the person getting the pension is under 60. Nevertheless, public servants generally will not have the right which a few already enjoy. There were abuses there and it is not unreasonable for the government to take account of them and to correct them.

At the time we brought in this provision for retirement at age 55 after 30 years of service I had a good deal to say about the position of retired members of the RCMP and the Canadian armed forces. Though the same rule applied to them, many retired personnel from these two groups had not completed 30 years of service; retirement in their case was not voluntary, they were under contracts which made it necessary for them to retire, some of them as young as 49 or 50. So there was no possibility of their getting indexation until they had reached the age of 60.

● (1550)

I have argued for several years now that, it having been made possible for some top public servants to get indexation at 55, at least we ought to make the same thing possible for retiring RCMP and CAF personnel, especially if they are retiring involuntarily or because of the nature of their contract. I suppose there will be some hon. members opposite who will say that now that we have taken away the right of top public servants to retire at 55 and get immediate indexation, that ends the argument about RCMP and Canadian armed forces personnel.

I do not think it ends the argument at all. I think it still stands, and one of the things I want to look very hard at when we get into committee on the bill is this whole business with respect to persons who I think have a claim to early indexation. Let us not in the process of getting rid of one abuse create

another piece of injustice. As I say, I plead the right of these people to be considered. If we do have delegations before the committee, I am sure there will be delegations representing the armed forces and the RCMP, and I hope we will listen very attentively to their case.

I now move on to the main subject of the change with regard to public service pensions, and that is this triennial scheme which is being proposed. The way it stands now, it is a full indexation guaranteed and automatic for life for everyone once it starts, but the new proposal is that every third fall there should be an assessment of how much money is on the books, not in the fund. There is no fund. There are just figures out there on the books, but how much is there, how much of it really belongs to pensioners who are out of the service and out there enjoying their retirement, how much interest is that money earning and how much extra interest is it earning because we are in a time of high interest rates and so forth? A calculation is to be made each third fall as to how much could be charged against the books in the next three years, and on that basis what pensions will be paid.

We are told that had this bill come into effect at the beginning of 1979, the calculations last fall were such that there would have been a guarantee of the first $7,000 of everyone's pension being fully escalated but that the amount in excess of $7,000 would be escalated at 8 per cent this year, 7 per cent next year and 6 per cent in 1981.

I welcome the statement made by the President of the Treasury Board (Mr. Buchanan) the other night that conditions have altered a bit since last fall, and he says it is likely that when that kind of assessment is made this fall for the years 1980, 1981 and 1982, those who do the calculating may be able to do a little better. I think he said, for example, that what might happen is that the threshold might be $7,500 or $8,000. I hope it will be, and I hope that if the figures are better that is how it will be applied, and rather than a higher rate of interest on the upper increments of pension it will be applied to raise that threshold.

That is the scheme which is being proposed, and I wish the bill were not before us at all. I would rather leave it exactly as it is, but rather than run the risk of some drastic change in the whole scheme I would say that this bill is a protective piece of legislation and that on that basis it ought to be accepted. The other night the minister pointed out that if the estimates made every three years in the fall were too optimistic and too much money was paid out in the next three years, more than should have been, then that would be corrected the next time around.

I asked about the reverse situation, supposing there was too pessimistic an estimate, and the minister gave me an acceptable answer to the effect that if not enough was paid out in a three-year period, that would mean there would be more money on the books—let us not talk about funds; we know there are no funds around at all—and that it would be possible to pay better pensions later on. I am accepting all of this as a piece of protective legislation, and I hope public servants will see it that way.

[Mr. Knowles (Winnipeg North Centre).]

By the way, we have been told that the scheme which would have come into effect this year—something like that which will come in next year—would have covered about 60 per cent or more of the retired public servants themselves and about 90 per cent or more of the survivors and those who are out on disability pensions. Of course, the reason it is 90 per cent in the latter case as opposed to 60 per cent in the other case is that those pensions are that much smaller. But we are talking about an arrangement under which pensions of $7,000—perhaps $7,500 or $8,000—are protected with full indexation, and I am glad that that is true. Let it also be clear that the person who has a pension of $10,000 will get full escalation on the first $7,000, but then a little less escalation on the portion above that amount.

I am talking about all these figures and calculations, this triennial business and so forth, as though I regard them as fully valid, and no doubt before this debate is over figures in the millions, billions and trillions will be cited as though something really sacred attaches to them. We are moving on. When I first came here we talked of $500 million as though it was a terrific sum of money. Now we are getting into trillions.

I think these funds and these accounts are all a myth. I remember seeing in *Hansard* where C. A. Dunning told J. S. Woodsworth that we could not afford to pay a pension of $20 a month to our old people because it would break the country. But what are we doing now? Some would say we are breaking the country now. Not at all, as far as I am concerned. By providing these things we have made the country. I suggest that if we made up our minds that all our retired people on pensions of whatever kind were entitled to indexation, we could afford to do it out of current production. That is what we have to look at, not figures which are off in some musty books. What counts is the will to do it and the realization that we pay pensions out of current production because we believe our people are entitled to them.

One of the things I am hoping is that what we are now doing is simply going through a phase. It is a phase because, although we have indexation of public service pensions, old age security and the others I named a while ago, we do not have indexation of private pensions in the main but ought to. That day will come. Maybe there will have to be some sort of a tax element or government subsidy to make it possible, just as people pay into the supplementary retirement benefits account for public service pensions. Maybe there will have to be an account people pay into for the other, but I would say that the day will come when we will have extended the principle of indexing of pensions across the board. When that day comes we will be able to revise this triennial scheme which we have been forced to go into because of the kind of campaign we face, because of arguments about restraint and all the rest of it.

As I say, I wish the bill were not before us. I wish this triennial part were not proposed at all, but I think it is protective and has to be looked at favourably. I think we have to have hope and confidence that when we get beyond this

period and move into the protection of all pensions by proper indexing, we will put this one back on the full basis as well.

There are two or three other things I would like to say, and if my time is running out I hope that if I make the point that we do not have any other speaker for this debate today, the House will give me an extra minute or two if necessary.

One of the things I would like to speak about is a touchy subject which is thrown around, and that is the extent to which persons who want to kill the indexing of public service pensions talk about the pensions of members of parliament. We are accused of having had some complicity in the indexing of our pensions. This is always a touchy subject to deal with but I think it should be brought right out into the open.

● (1600)

No one in the House has any doubt where I stand on the subject of what we receive as pay and as pensions. I happen to think they are out of line with what we ought to be getting. I am not arguing that point at the moment, but I am establishing it as the basis for what I want to say. I think there are some things wrong with the pensions available to members of parliament. I think they are too generous. I object to the fact that the provisions for our widows are greater than for other widows. That is not fair. I also think the business of members of parliament being able to get a pension at any age once they have been here six years is preposterous, and I will come back to that in a moment. But the one thing in the members' pension plan that I think is not—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): I thank you, sir, and I thank the House. I am afraid I put the House in a spot a moment ago, so that hon. members could not deny me extra time. What I want to say is that the one thing in the members' pension plan that I do not think is wrong is the business of indexing members' pensions, just the same as anyone else's pensions, provided that it starts only at the age of 60. Many people still have the notion that members' pensions are indexed as soon as the member of parliament leaves office. That indexing does not start until the age of 60.

As I said, I think there are things wrong with members' pensions that should be corrected, and I will indicate one or two of them right away, but that does not deny the right of members—just as I insist the right of public servants and elderly people, war veterans and people in the private sector—to have their pensions indexed in accordance with the rise in the cost of living. What we should be doing is to correct some of the things that are wrong.

The name of His Excellency the Governor General was dragged into debate a while ago in another context. I was pleased when the Prime Minister (Mr. Trudeau) tabled some days ago copies of correspondence he has had with the Governor General, when he was just Mr. Schreyer, about his potential pension. Apparently the then Mr. Schreyer made the plea to the Prime Minister that he did not want to be in the position of being a retired Governor General at the age of 48 on full pension. He thought that instead that pension should be delayed until the age of 60. The Prime Minister's reply indicated that he was in agreement with that. He had some qualifications about disability or the possibility of his death and the leaving of a widow, but he agreed with the then Mr. Schreyer that it did not make sense for the Governor General to have a full pension at the age of 48 and that it should be deferred to the age of 60.

I think we should be doing that to our pension plan. If the Prime Minister is going to bring in legislation to correct the pension plan of the Governor General, I think we should correct this business of a member of parliament being able, once he has had six years of service, to draw a pension at any age.

There are a few other things which should be put closer into line with other pension plans, but it is these other things which stand to be corrected, not the right to pension indexation. I think that anyone, whether he is a member of parliament, a retired RCMP officer, a governor general or a CNR or CPR pensioner, if he is going to have a pension, should have one that would enable him to keep abreast of the rising cost of living and with the standard of living.

So, sir, I decry the kinds of attacks that have been made on the plans that are now in effect. But for the errors that I have just referred to in our own scheme, I think the plans generally are pretty good. There are a few things that are in the public service plan which should be corrected, and I am sorry they are not in the legislation before us now. A while ago I referred to the fact that the public service pension is based on the average of one's six best years. In a time of inflation that can rob a retiring public servant of a great deal of security. Certainly it should be reduced to three years or perhaps even fewer.

I raise again, as I have, not only for public servants but, especially for the RCMP and the armed forces personnel, the question of marriages which take place after one goes on pension. The present law in this respect is as archaic and outdated as it can be. If a woman marries a retired public servant or a retired army officer who has served his day and age, and he is in the 50s or approaching 60, she can be his wife for 20 years, he has paid into the fund, but there is no pension for his widow because he married after he became a pensioner. As I said, that situation should be corrected.

I have already referred to the case of indexing for RCMP and armed forces personnel in cases where they have to retire early because of the nature of their contract. I think also their particular superannuation acts should be corrected.

We still have left over the problems relating to the buying back of earlier service or the buying back of years spent in the armed forces. There are instances where this was made possible but the person affected could not afford it and passed it up,

and then at a later date wanted to buy back earlier service to improve his pension position but the cost had become prohibitive. I think that also should be corrected.

There are still a few old timers around who transferred from one pension plan to another more than 50 years ago. I do not mean they were pensioners then; they were public servants in those days. They call themselves the "old originals." They do not have the advantage of the modern arrangements that are in our pension plans. I think we should not be drawing these kinds of lines. When people are retired, older people who have served their country in the public service, in the armed forces, in the RCMP or in the private sector, they should not be treated differently depending upon the time when they came into the plan, the time they retired, or what-have-you.

So there are all these various improvements that should be made in the Public Service Superannuation Act, in the Royal Canadian Mounted Police Superannuation Act, in the Canadian Forces Superannuation Act and in the Members of Parliament Retiring Allowances Act, and I hope we will make them. Perhaps I am asking the government to bite off too much between now and the end of this session, which has not many months to run, but that seems always to be the problem. Some of the things I have talked about, such as the six years' average, the late marriages, the buying back, and so on, have been talked about ever since I came here, and there is always some excuse why we cannot act on them. Sometimes the excuse is that the session is about over and it is time for an election. All right, some things are going to be done, if the session lasts long enough, and they are set out in this bill. We will have to look at them pretty closely, but I think these other things should be done as well.

With these comments, I say on behalf of my party that we are prepared to agree to the second reading of this bill so that it can be referred to the committee. Generally speaking, we approve of its tone because, as I said, it is a protective piece of legislation, protective in the sense that it keeps alive the principle of indexing of pensions. That is a principle which, in my view, must not only be kept alive but must be extended until it applies to all pensions in this country, whether in the public or the private sector.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I was not going to take part in this debate because I had been told that Bill C-12 should be referred to the committee as soon as possible. But I have only a few words to say since the previous speaker simply stated our agreement to have this bill referred to committee as soon as possible for further study as it concerns the indexing of early retirement pensions and the public service monthly rates.

With this bill, the government answers the criticisms of certain financial groups who have stated that the public service pension fund greatly exceeds that of private companies and that, in the long term, the cost of the program will exceed its revenue. Certain financial circles have progressively escalated their fight to the death with the government on this issue since the end of 1976. This is a sensitive question because on the one hand, some of the arguments of the private sector seem justified while, on the other, the Public Service Alliance has achieved a master stroke by obtaining the cost of living indexation of pensions to protect the purchasing power of their members and retired employees. To a certain extent, Mr. Speaker, the bill aims at reducing the pressures exerted upon many private retirement programs for which the benefits are much inferior to those offered by the public service. Indeed, it is a recognized fact that the public sector generally supports pension plans in which the benefits are 9 per cent higher than those of the private sector.

The proposals of the government mainly affect three areas: early retirement, the monthly rate and indexation. They amend two different statutes: the Supplementary Retirement Benefits Act and the Superannuation Act. The government wants to reduce progressively over a period of five years the age for early retirement. This amendment would affect mainly employees between 55 and 60 who have or wish to retire before the maximum eligible age. Of course, we believe that this must remain optional. Contributors must still have the option to do as they wish. As for the monthly rate, those who retire in January would receive eleven-twelfths of the authorized annual cost of living indexation adjustment. Those who retire in June would receive only half and those who retire in November would receive an automatic adjustment of one-twelfth of the inflation cost devaluation. At the present time, the person who retires receives the total amount of the indexation whatever the time of the year of his retirement.

At the limit, an individual could retire on December 31, 1977, for example, and on January 1, 1978 get the full indexing for the entire preceding year. Ad hoc indexing would allow the federal government to take automatic indexing out of the pension plan. The adjustments required as a result of the increase in the cost of living would from now on be made on an ad hoc basis. The public service pension board would set the indexing over a three-year period and in direct relationship with the amounts of money available in the government's pension funds. More specifically, the interests collected on pension funds would be distributed to eligible pensioners. Full indexing would take place only when the interests on the capital accumulated in the funds would be sufficient to cover the costs. As far as unions are concerned, all hon. members know their position.

Early retirement relieves more or less older federal employees who must retire for reasons of health. That is where one of the biggest problems lies. The new legislation would deny workers the right to compensation in the form of early pensions. It would also affect people who in this time of budget cuts are forced to take an early retirement because of our personnel cutbacks.

Indeed, we know very well that a person 57 years of age, for example, will have great difficulty finding a new job because of his or her advanced age compared with a younger person who still has several years of employment ahead of him or her. So for certain people early retirement becomes an insurance that will allow them to continue to receive a salary even if they find themselves out of a job because of our cutbacks. So we say that that policy includes benefits for the older worker while it is futile for younger individuals who usually find themselves another job sooner or later. So the act as it now stands takes care of employees who need it most, because those who get a new job, although they are now getting their pensions, would not benefit because the difference would be taken away by income tax.

Mr. Speaker, I believe the adjustment of pension plans according to age is a coming thing, and the government will have to move toward lower pension age, that is 60 for all Canadians. Later on this will come down to 55. However, the time is ripe in my view to realize that the pension age should be lowered to 60 for everyone. During the last election, we obtained help for pensioners' spouses. This is not enough this year in my view to clarify the situation for those who get married with old age pensions.

I hope that during studies on this subject the government will seriously consider alleviating the heavy burden on our shoulders, with a reduction of eligibility age to 60 for everyone, perhaps with help at 55 for spouses and normal pension at 60. Mr. Speaker, those were the few remarks I had to make. I hope we can refer the bill to committee as soon as possible.

• (1610)

[*English*]

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, the basic purpose of this bill is to make some change in the provisions for the indexing of pensions of public servants. It is true that the bill does some other things: it progressively increases the age at which full escalation can take place on retirement from 55 to 60, it reduces the incentive to retire on December 31 in each year, it makes some changes in the period of time over which the government must amortize deficiencies arising from general adjustments in salaries, and it does something with pensions for air traffic controllers. But I repeat, the main purpose of the bill is to deal with the indexing of pensions, and this is what I wish to speak about today.

As hon. members will know, 9 per cent of the people of Canada are retired. These people take up roughly 5 per cent of the national income. The only possible way that they may continue to get the same cut of the national pie is to have their purchasing power maintained, and that means that their pensions must be indexed. If the pensions are not indexed these retired people, people living on pensions, widows, orphans and dependants, are robbed a little each year.

The suggestion that indexing pensions to maintain the same purchasing power will bankrupt Canada is so ludicrous that one wonders how people of good sense could give it a second thought. I am not talking about increasing the pensions according to the standard of living. That point was raised by the hon. member for Winnipeg North Centre (Mr. Knowles). For the moment I am talking about maintaining purchasing power. If there was any evidence that inflation led to a decrease in national income in real terms, there might be a case for such an idea, but the reverse is true. Even though there is inflation, there is real growth.

Canada's real growth for this year will probably exceed 4 per cent, and there is no reason to believe that we cannot adapt our policies in such a way that we can still live with inflation and have real growth. This has taken place in Brazil and a number of other countries for some time. It is an affront to the intelligence of the average human being to suggest that it will bankrupt the country if we try to maintain the purchasing power of people who are retired.

• (1620)

The public service superannuation plan was adopted over 40 years ago. At that time the actuaries made their usual assumptions about age of retirement, rates of interest, contribution rates expected as a result of life expectancy and so on. They assumed that the average earning rate for the plan would be 4 per cent, and I am sure that they assumed that the benefits paid would represent stable purchasing power. In retrospect, those assumptions turned out to be erroneous because the cost of living has eroded benefits paid out and interest earnings have escalated.

Let us look at the problems dealing with supplementation. In 1970 the supplementary benefits retirement fund was set up by an act of parliament in order to establish a separate fund to deal with escalation. The anticipated rate of escalation was 2 per cent per year. The employees would contribute one half of 1 per cent of their payroll and the employer would match it. That was subsequently raised to a contribution of 1 per cent by the employee and 1 per cent by the employer. It is quite clear that this fund, while adequate for a 2 per cent or 3 per cent inflationary increase, is not adequate for a 9 per cent, 10 per cent or 11 per cent rate of inflation.

It is no great exercise to attack this fund and say that it is bankrupt or inadequate, or to make other derogatory comments with regard to it. We must admit that the fund by itself is inadequate and cannot deal with the problem. But we must also look at what has happened to earnings. The earnings of the other fund are now approaching 8 per cent per year and rising. The average rate of interest is a weighted average of the long-term Government of Canada borrowings. The last borrowing by the Government of Canada had a nominal interest rate of 10¼ per cent, and it was sold at a slight premium. The effective interest rate was in excess of 10¼ per cent. This means that the fund will continue to earn money at an even higher rate than was anticipated in the original calculation by the actuaries, which was 4 per cent. Indeed, this 4 per cent rate continued up until 1969. In the 1950s and 1960s the fund, in effect, was subsidizing the management of the public debt of Canada because it was an account in the books of Canada.

Pensions

In response to a question I placed on the order paper, the President of the Treasury Board (Mr. Buchanan) has filed some replies which were tabled in this House on October 10, 1978. I wanted to know the amount of money credited to the public service superannuation account as of March 31, and then I mentioned certain years. In 1965 it was $2,161 million. In 1970, the fund had grown to $3,600 million and in 1975 it had grown to $6,420 million. In March, 1976 there was $7,312 million in the fund and by 1977 it had $8,147 million. As of March 31, 1978 the fund had increased to $9,053 million and probably by March 1 of this year it will have exceeded $10 billion. That is an enormous sum of money.

There are those who say that the amount of money in the fund is negligible. I believe that the hon. member for York-Scarborough (Mr. McCrossan), who is alleged to be an expert in this area as an actuary, has a question on the order paper referring to the phantom funding. The public service superannuation account is an account in the books of Canada. It is part of the national debt. It is not generally recognized that the public service superannuation fund and the armed forces superannuation account together represent over one quarter of the entire gross public debt of the Government of Canada. It is reported in the public accounts and interest is accrued to it. I suppose that the hon. member who asked this question would have been much happier if the government had issued bonds, hired a clerk to clip the coupons and put them in the bank regularly once or twice per year. Somehow this would make him feel that he was meeting the test of actuarial soundness.

To me these sums of money are so large that what the government is doing with them is all that can be done. The hon. member for York-Scarborough has asked in one of his questions not yet answered whether the government has considered investing in the private sector. If the government put, for example, $10 billion into the private sector it would make Petro-Canada look like peanuts. Who would be the first to cry about socialism if we were to buy private equities? The official opposition. The simple truth is the sums of money are so large and the problems of debt management if these funds were diverted to some other use so great that the government of the day would have no alternative but to deal with the account as this government is doing now.

It is worth noting that, with a fund of $10 billion and a rate of interest which is credited at 8 per cent, the annual interest earnings on that fund are approximately $800 million. I put some questions on the order paper for the benefit of the hon. member for Winnipeg South Centre (Mr. McKenzie)—

Mr. Baker (Grenville-Carleton): You put them on for your own benefit as well.

Mr. Francis: —who says he does not have much information in this regard. I suggest that he look at *Hansard* for October 10 and January 23. I believe that the question he put on the order paper was answered last Friday. One of the reasons why questions are answered the way they are is because of the manner in which they are asked. If one asks a straightforward question, one gets a straightforward answer. If one asks a complicated question, such as actuarial evaluations and so on, a great deal of time and effort is involved to produce an understandable answer.

The cost of basic pensions for the fiscal year ending March 31, 1978 was $252 million plus the cost of escalation, which was $113 million, a total of $365 million. As far as most people are concerned, when interest earnings are of the order of $800 million per year and total disbursements for pensions and escalation are of the order of $400 million per year, this does not project a disaster. Most people would say that is a fair margin of security.

• (1630)

The government hired Tomenson-Alexander Ltd. to do a technical study. There is no secret about that report although somebody suggested it was hidden. Mr. Colin Brown, in a full page newspaper advertisement, said that you could not get it. The minister answered that many copies were distributed. I have a copy and every member of this House has a copy.

Mr. Knowles (Winnipeg North Centre): He can have mine.

Mr. Francis: I suggest the hon. member keep it, because it may be useful for a certain curiosity value. He might even find it more interesting when I am through with my comments today.

The people who did that study said the $10 billion is not enough, that it should have been increased by something like 70 per cent to be actuarially sound. Now, what does "actuarially sound" mean? Well, Mr. Speaker, it means that the actuaries tell us what the future is going to be—from the year 1990 to the year 2025. One of the great things we all have to learn, Mr. Speaker, is our limits. I recognize that an actuary can study the tables of life expectancy and mortality. I know actuaries have great skill and fine mathematical formulae. But when they project the rate of interest, not today but 25 years from now, 35, 45 years from now, may I suggest that that is not within their professional competence. When they have to project the rate of increase of wages in that period, they have no special claim to an expertise. When they have to project the rate of increase for the consumer price index, there is no special wisdom in their hands.

In making their projections and in stating that there was a $5.8 billion deficiency as of March 31st, 1978, they made the assumption that the average rate of inflation would be 6 per cent per cent, compounded, that the average rate of salary increase would be 8.5 per cent per year compounded, that the average rate of interest earnings would be 8.25 per cent compounded, and they assumed that the average retirement age would be 61.5 years. Well, Mr. Speaker, I wonder if there is a reputable economist in Canada who is prepared to say that the rate of interest is going to be 8.25 per cent and the consumer price increase 6 per cent between now and the year 2025? Tomenson-Alexander Ltd. did not hesitate to say it and made it absolutely basic to their conclusions.

I put a question on the order paper using these assumptions, and they are all contained in the notes of the Tomenson-Alex-

ander firm in the department. I asked, using their projections and these assumptions with no change in the public service superannuation plan, how much money would be in the account in the year 1990. The answer was just about $40 billion, and if there were no change, in the year 2025 it would be $1,200 billion. They said that was not enough, that we had to increase the base by 70 per cent to make it actuarially sound. They would have had $2 trillion in the account by the year 2025, and $70 billion in the account by the year 1990; then it would be actuarially sound.

A question of professional integrity enters at this point. I question the professional integrity of a firm that puts in a $5.8 billion scare figure. When it came to writing in the projection for 1990 and the year 2025, they deleted that from their final version. They thought it might impair public trust, and they were right. It certainly would have impaired confidence in their work, Mr. Speaker.

I hope these experts will come before the parliamentary committee, and that Mr. Colin Brown will come before the parliamentary committee. I hope they will tell us why they feel these astronomical sums have to be even more astronomical. I hope they will tell us on what great scientific basis they can make these constant predictions of interest rates, changes in the consumer price index, average salary rates and even age of retirement, Mr. Speaker.

I am not at all sure that we are going to face this continuing decrease in average retirement age. I always look to my friend the hon. member for Winnipeg North Centre, who tells me he cannot afford to go to the Senate as he would have to retire too soon! I admire him. Sir, that is not a derogatory remark. My hope is that when I am his age I will do as well. The right hon. member for Prince Albert (Mr. Diefenbaker) still carries his load in this House. The fact is, Mr. Speaker, that there are members who contribute to society in a very real way. The pressure that is on to retire at an earlier age is tempting for some and a matter of real concern to others.

I simply wish to raise the question in a time of falling birth rates, a time when Canada is going to have to think of the people who are employed and creating a standard of living for all of us. The hon. member for Winnipeg North Centre said it eloquently not so very long ago. Whether or not that age might stabilize, I think there are good reasons why 65 should be an average retirement age for a person in good health and in possession of his or her faculties.

I am simply saying to you, Mr. Speaker, that there is nothing terribly scientific about these figures thrown at us. When the actuaries claim to be experts on those matters in which they are not competent any more than anyone else, then they are being deceitful, and there is a question of professional integrity when they do not give us their working figures.

The hon. member for Hamilton West (Mr. Alexander) says that I said we did not need the bill. It was the member for Winnipeg North Centre who said we did not need the bill.

What this bill does is change the basis of paying indexation. It takes the surplus earnings out of the big account—above 4 per cent—and makes them available to pay part of the cost of indexing, in addition to the money in the supplementary retirement benefit fund. Mr. Speaker, if we do not do that then we are going to look foolish. The hon. member for Winnipeg North Centre knows very well that the program is a target for completely false criticism—shallow criticism—if we do not do something like this to rationalize the two plans and put them together. One fund is earning excessive interest and is growing at a rate that is going to create an embarrassment of riches for the government, and the other is inadequate. There is a logical thing to do, and that is put the two together, and that is one of the essential elements of this bill. That is why we have to have the bill, Mr. Speaker.

I listened with a great deal of interest to the argument of the hon. member for Hamilton West. He said we would have to have a large number of witnesses. The list seemed endless. I hope that he is not saying that this is something of a filibuster on the bill. I hope that a reasonable number of witnesses will be called. I hope all the staff associations come; that goes without saying. I hope Mr. Colin Brown comes. He earned it, and I hope he has the courage to come and defend his point of view. I hope the experts who said all those dreadful things about the future of the superannuation plan, on the basis of the most incredible assumptions, will be there.

It is interesting to see how private industry is changing its points of view. I think there are two basic problems in the pension field that have not been properly examined. The first relates to the disposition of excess interest earnings. I can understand why a private employer without a plan would say, "This is an expensive business and we cannot afford it; there is no means by which I can put aside enough money to anticipate the possible changes in the cost of living". But where a fund exists, Mr. Speaker—and the case of the public service is a clear one—that fund will then gain from the changes in interest rates, and those windfall gains in interest rates provide a basis for paying for the indexing of public service pensions.

The bill says we will look at the situation every three years.

[*Translation*]

With this legislation the intent is to examine every three years the funds available for indexing pensions. This includes the amount on which interest exceeds 4 per cent. I am referring to moneys invested in Canada's national debt. This also includes the moneys contributed by civil servants as a percentage of salaries, and an equal amount contributed by the employer. The indexing rate will be lower than the interest rate. If it can be ensured that the interest rate exceeds the cost of living increase, the inflation rate, the public service superannuation fund will provide for this.

● (1640)

[*English*]

I would like to quote from a speech made by a spokesman from private industry, the president of the Crown Life Insurance Company of Canada. It is a most interesting speech and

there are parts of it which I found fascinating. Mr. R. C. Dowsett in his speech of January 18 said:

> Post-retirement inflation is a frightening prospect for anyone living on a fixed income. Private sector employers have been reluctant to put in place automatic indexation schemes to increase pension payments in line with the consumer price index increases in the future because of the unknown future drain on future business profits.
>
> In recent years, many employers have granted *ad hoc*, after the fact, *ex-gratia* enrichments of pension payments to compensate in part, at least, for past inflation from time to time if, in fact, current company profit levels are big enough to allow such enrichment.
>
> But retired employees—gratefull for *ex-gratia* enrichments—still don't feel very comfortable about the future when the employer may not be inclined to be generous.

Mr. Dowsett then went on to say:

> —there is an inflation premium built into the rate of return earned currently by pension assets. Interest rates earned on pension fund assets in recent years have included such an inflation premium.
>
> What has happened to the earnings generated on pension plan assets by this inflation premium? They have been used to offset the cost of plan improvements—that is, to help improve level starting pensions for long service employees. They have been used to improve starting pensions for those employees retiring early.
>
> They have not been used to enhance the benefits payable after retirement to correct for inflationary erosion then occurring—

Mr. Knowles (Winnipeg North Centre): Shame!

Mr. Francis: I say it is a shame especially when I read about the earnings of the Crown Life Insurance Company of Canada in Saturday's *Globe and Mail*. Crown Life Insurance Company reported $1.32 a share for the year ending 1977. But the Department of Insurance said that that was not revealing their earnings fairly. They required a different basis for revealing earnings. If the new basis had been adopted they would have earned $6.22 a share in 1977. But for the year ended December 31, 1978 they are reporting $13.33 a share.

In the case of this company it is quite clear what has happened. It is not a mutual company. The funds invested have now earned at much greater rates than the actuaries had forecast. But those funds, the surplus interest earnings, have not been used to pay the extra to those who are drawing pensions from that company—

Mr. Knowles (Winnipeg North Centre): —whose money it is.

Mr. Francis: Whose money it is. I wonder if Mr. Colin Brown has any questions for the Crown Life Insurance Company. I wonder if he is prepared to go to them and say, "You have to find a means by which extra earnings on your investment as a result of the windfall increases in interest are going to be paid to people who are retired". That is all the Government of Canada is doing. It is saying that the windfall interest earnings on that huge sum invested of $10 billion are going to pay the cost of indexing pensions.

There is a basic doctrine in law, that you come with clean hands. Those who tell us that it is going to make the country bankrupt to pay an increased pension according to the cost of living to people who are retired at a time when they are pocketing such immense sums of money as this cannot have a clear conscience.

Some hon. Members: Hear, hear!

Mr. Francis: I will listen with a great deal of interest to the person who will speak for the official opposition in this House. I know the opposition House leader, who is a very busy and humane man, the hon. member for Grenville-Carleton (Mr. Baker), has an understanding of this matter and is sympathetic to the plight of retired civil servants. I know that it is also true of the hon. member for Ottawa-Carleton (Mrs. Pigott). I believe the people of this area have the right to know where the hon. member for Ottawa Centre (Mr. de Cotret) stands. Before coming into this House, he was chief executive officer of an organization that attacked escalation of pensions. That organization was the Conference Board in Canada. He said that it would break Canada if we paid for indexation and subscribed to the point of view of Mr. Colin Brown. During the recent by-election that same member for Ottawa Centre had a bit of a change of something; he said he was for indexation during an open line program. I invite the hon. member for Ottawa Centre to come into this House and tell us what he believes.

Some hon. Members: Hear, hear!

Mr. Francis: I know his constituents are anxious to know what he believes. Does he subscribe to the viewpoint of Mr. Colin Brown, that the fund is not actuarially sound, that there is not enough money in it, that we cannot afford to pay for indexation, that we have to cut it back? Who are the spokesmen for the official opposition? What is their position?

When I listened to the hon. member for Hamilton West last Thursday night, I was not sure what the position of his party was. On one hand they denounce Colin Brown, and on the other hand they say they do not know. They say there are not enough studies. They say there have not been enough actuarial reports. Members have the right to know what their policy is. Does the policy of the official opposition support indexation of public service pensions by putting together these accounts in the way roughly suggested in the bill before us? Does the official opposition have another way? Are they prepared to say to those people who are retired in this area that they agree Canada can afford to pay a constant amount to keep abreast of the purchasing power of the dollar after retirement?

We are saying that if there is inflation then pensions will be adjusted according to the cost of living. We know when a fund the size of the public service superannuation fund exists and that fund is earning money according to current rates of interest that there is more than sufficient money to do the job.

Some hon. Members: Hear, hear!

Mr. Paul McCrossan (York-Scarborough): Mr. Speaker, it is an honour to rise here today to address one of the most emotional and misunderstood areas of government operations, amendments to the public service pension plans.

I referred deliberately to amendments to the public service plans in the plural because, as an actuary, I believe, along with the hon. member for Ottawa West (Mr. Francis), that the Public Service Superannuation Act and the Supplementary Retirement Benefits Act are merely separate parts of the whole. They must be viewed together to get a clear picture of what is happening.

For example, the changes proposed in Bill C-12 are only changes to the Supplementary Retirement Benefits Act. However, I believe that if these changes are put into place a significant extra annual cost in the order of $100 million may be incurred under the Public Service Superannuation Act. The cost to the PSSA is not mentioned in the bill; it is hidden. That is why the actuaries and I who reported to the government in the spring on these plans urged that no change be made to either plan without examining the effects and cost of the change on both plans.

● (1650)

On all sides we, as members of parliament and as members of the public, are being bombarded with facts. Most of these facts are one-sided presentations of the actual situation. Many are downright misrepresentations of the actual situation. Indexed pensions are available to the Canadian public as a whole. Both the old age security and the Canada and Quebec Pension Plan payments are indexed for the cost of living. However, very few private pension plans are fully indexed. The actuarial survey tabled in parliament last spring indicated that only .6 per cent contained a full indexing provision. On the other hand, 80 per cent of the plans in the private sector have some form of post-retirement adjustments. These average 66 per cent of the change in the CPI.

It is obvious that if the public service is to be treated equitably in our society there must be provision for some indexing. However, we in parliament have two publics to represent, the general public and the public service. We have an obligation to see that the public service receives a first class pension, a pension that we can be proud of providing in recognition of service to the state. However, we also have an obligation to the general public to ensure that we do not create a preferred class in society, a class with benefits so far beyond what is available to the general public as to create serious social inequity.

Fully indexed pensions for civil servants were introduced in 1973. I must admit that in reading *Hansard* quite frankly I was amazed to find out that from introduction of the bill on first reading the royal assent of the bill took a grand total of ten days. On second glance, Mr. Speaker, this probably was not all that extraordinary because even though the then president of treasury board indicated that a contribution of "one-half of 1 per cent to go with the government's matching contribution will almost certainly be insufficient to cover the cost of escalation", there was a clear implication in his remarks that the cost was unlikely to be too much greater. I say there was a clear implication. I certainly would draw that conclusion from the remarks. However, a close reading shows the president of treasury board did not state that the funding was almost adequate.

Last April we had an estimate for the first time of what the indexing provision would cost. The indexing suggests that the employer contribution is of the order of 8.5 per cent of payroll. In other words, the initial contribution was one-seventeenth of what was required to be set aside. The original provision missed the mark by some 1,700 per cent.

We now know that in those ten days we approved measures which established an initial unfunded liability—that is, the cost of the benefits granted—of approximately $6 billion. The total budget for the Government of Canada in the fiscal year 1973-74 was $23 billion. In this one bill we spent the equivalent of one quarter of the total government spending in the year without seeing so much as an estimate or projection. I suggest that presenting a bill of this magnitude without any serious financial warnings was either dishonest or seriously negligent.

Public opposition to these pensions developed over several years and much criticism, informed and uninformed, was aired. In October, 1976, Treasury Board released the "Basic Facts" paper. The stated purpose of the "Basic Facts" paper was "to assess the retirement benefits of federal public servants . . . To review how these benefits are financed and inform the House of Commons . . . of some preliminary conclusions".

This document sought to establish both the reasonableness of benefit levels and the soundness of funding procedures. However, this "Basic Facts" paper contained several of those misrepresentations that I referred to. It stated that the impression that public service pensioners typically received pensions greatly exceeding those of most working Canadians was a misunderstanding. It stated that recent allegations that public servants live in a pension paradise are devoid of factual basis. It also stated that basic pensions are financed with the same actuarial principles which generally apply to private sector plans.

Actuaries are a wary breed. They are not easily excited. They are noted for their sang-froid. However, when that basic facts paper was published the Canadian Institute of Actuaries representing all actuaries in Canada, including all federal government actuaries, took an unprecedented step. It decided to issue an unsolicited public statement. If I may quote in part:

> This document which was tabled . . . purports to defend the public service pension system . . . What is ironic is that the spuriousness or dubious validity of so many arguments . . . aroused the suspicion or outright condemnation of practically every professional actuary who has examined the document.
>
> We believe it is more constructive to address ourselves to two key questions.
>
> 1. Is the system being properly financed?
>
> 2. How do the benefits provided by the system compare with those of other Canadian employers?
>
> No attempt is made to recognize the currently accruing cost of indexing . . . In our opinion the value or cost of the indexing adjustments is systematically concealed and deferred for payment by future generations of taxpayers and public servants.
>
> The benefits provided by the public service system . . . are more generous (and in most cases much more generous) than those provided by . . . private sector employers . . . given a thorough . . . understanding of these benefits . . . Most

private sector employees would be only too happy to contribute at a comparable rate if their employers would agree to provide comparable benefits.

In view of the furore created over this issue, the actuarial firm of Tomenson-Alexander was commissioned on March 23, 1977 by Treasury Board to determine the future cost implications, advise on the extent to which the compensation policy takes account of benefits under PSSA and SRBA, comment on the "Basic Facts" paper, assess other actuarial considerations and make recommendations regarding future actuarial investigations and reports. The report was sent to the then president of treasury board on November 30, 1977 and released on March 9, 1978, at which time several amendments to the act were indicated.

The report was very interesting. It indicated that no valuation of the plan had been made since December 31, 1972, before unlimited indexing was introduced. Not only had the government not found out what the plan was going to cost before they introduced it, but they had not found out what the plan was actually costing after they introduced it. This surely is the height of folly. If we are ever to convince the general public that public servants do not regard the public purse as virtually bottomless, as the Auditor General alleges, we must begin to subject ourselves at least to the rudimentary discipline of finding out what on earth these programs we have adopted cost or will cost.

The actuarial commission pointed out that the government was not funding its pensions in anything like the manner accepted in the private sector. In making comparisons with the private sector the government was even confusing the true cost incurred by the program with the smaller amounts that it was setting aside year by year.

In his introductory remarks to the House, the President of Treasury Board (Mr. Buchanan) referred to the $490 million that the government is setting aside each year as the cost of these benefits. The point is that $490 million is not the true cost. They are not reporting the cost according to generally accepted accounting principles; that is the point. The government sets one set of rules for itself, rules that the private sector cannot possibly match, and then tries to pretend that the cost is much lower.

Another point in the initial address by the President of Treasury Board was that the government felt that private sector employers should be encouraged to introduce benefits along the same lines as public service pensions. If the private sector did that, it would have to conform to the rules of accounting for costs of pension plans available in the private sector. They would have to charge through an extra 10 to 20 per cent on salary. In other words, if they adopted these plans it would be equivalent to a 10 to 20 per cent salary increase on top of the regular salary increase.

A week ago we had the spectacle of the Prime Minister (Mr. Trudeau) hectoring the banks for giving bank tellers a total increase of 11.5 per cent. The President of the Treasury Board is suggesting they should get an additional 10 to 20 per cent on top of their normal increase to bring them up to the government's level. Who is directing the economic policy of the country? On one hand we have people saying—

[Mr. McCrossan.]

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

• (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Algoma (Mr. Foster)—Central Mortgage and Housing Corporation—Community services program—Signing of agreement with Ontario; the hon. member for Central Nova (Mr. MacKay)—Government Expenditures—Policy respecting ex gratia payments; the hon. member for Winnipeg North (Mr. Orlikow)—Labour Conditions—Request for details of wage settlements.

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

PRIVATE MEMBERS' MOTIONS

[*Translation*]

Mr. Pinard: Mr. Speaker, there seems to be unanimous consent for the House to proceed with the debate on notice of motion No. 15, and for the other notices of motions to stand and retain their rank.

[*English*]

The Acting Speaker (Mr. Turner): Is it agreed that motions Nos. 7, 9, 13 and 14 are allowed to stand by consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Agreed and so ordered.

* * *

[*Translation*]

SOCIAL SECURITY

MEASURE PROVIDING FOR THE PAYMENT OF A HOUSEWIVES' ALLOWANCE

Mr. Adrien Lambert (Bellechasse) moved:

That, in the opinion of this House, the government should consider the advisability of having parliament adopt a measure authorizing payment of an allowance to housewives who remain at home to take care of their family instead of joining the labour market, the purpose being to ensure a global income corresponding to the family's needs by providing an additional family income to that earned by the father.

He said: Mr. Speaker, in February 1978, I had the honour to command the attention of this House by introducing a motion dealing with the subject matter that has just been stated. That motion, like the one now under consideration, was intended to provide a means for increasing family incomes by paying an allowance or whatever to recognize the merits of our Canadian mothers and thus increase the total family income.

Mr. Speaker, I recall that the majority of members who had participated in the debate on this motion agreed on the principle. They recognized the rationale of the motion and none of the members had said anything against it or found a way to oppose to it. However, the solutions suggested to achieve that purpose were somewhat different. Mr. Speaker, if I am back this year with the same subject, it is because the problem has not been solved and because 12 months later, I am more convinced then ever that this parliament must make a financial effort to acknowledge that housewives in our country play a very important part not only within the family itself but within the community at large and also because they contribute to the increase in our gross national product. It is a fact we must acknowledge. Mr. Speaker, this year is the International Year of the Child. When there is a child, there is a mother. Sure, we must recognize the children's rights but mothers have rights too. Their rights are recognized in well-off families with an adequate income to meet the needs of each member of the family. But we cannot and should not separate the rights of the child from the rights of the mother.

My main concern, Mr. Speaker, lies with families whose income is inadequate to meet the needs of all their members, with families with income below the poverty line. Mr. Speaker, we must be consistent and honest with ourselves. A few years ago the Canadian parliament itself set up a Senate committee under the chairmanship of Senator Croll to study the situation of Canadian families, the poverty level, the lack of money in a country as prosperous as Canada blessed by God with enough natural resources of all kinds to meet the needs of all its inhabitants.

Mr. Speaker, in the report from the Senate committee, poverty is defined as follows, and I quote:

The time has come to stop blaming the mirror for not being a window—

The French translation of that quotation reminds me of the story of the ostrich which sees the storm coming but pretends there is no storm and puts its head in the sand until the storm is over. We, in parliament, are not ostriches, and we would like to take our responsibilities. The quotation continues:

The time has come to stop blaming the mirror for not being a window, for presenting us with things we would rather not see.

Obviously, everybody would like to see a higher level of confort for all. But all cannot be equally well off. Even the communists who preach the theory of economic equality do not have that. That is a fact. But as democrats, as people who believe in a distribution system which is as fair as possible, we should concentrate on helping those in the lowest income brackets. We should make sure that at least the basic needs of the weakest in our society are met. So much the better if some people are better off. If my neighbour is well off while I am in dire straits, I can ask him for help. But let us least make sure the basic human needs are not. That must be our goal, and Canada can achieve it. The inquiry report said, and I quote:

The time has come for a little common honesty.

I believe that all together we are able to do that.

The poor, after all, are not poor of their own accord.

Of course, it must not be very funny! I was extremely poor once, and I was not so of my own accord. I accepted my situation because I had no choice. Like many of my fellow citizens, I experienced the depression years. Everybody remembers those extremely difficult years. It was far from pleasant. Since we did not know any better, we accepted our situation. But today, with all the media, with television which shows us all kinds of things, pleasant and less pleasant things as well as hateful things, everybody is well informed.

And further on:

● (1710)

The poor, after all, are not, as some still pretend, poor of their own accord. The poor have no uncommon moral flaw that sets them apart, let alone condemns them. They are casualties of the way we manage our economy and our society—and that fact is increasingly obvious to the poor themselves.

Mr. Speaker, there was a reason for spending money in trying to find out what the situation is and how to remedy it. So, in our society of 1979, we must do everything possible to discover the means to ensure poor families additional income and so enable them to live a bit more decently, without it impoverishing us collectively.

Last weekend—all the hon. members have seen similar cases I am sure—the head of a poor family came to my office to explain his situation. There are five of them in the family. The mother is sick; now sickness is not a fault; no one tries to be sick but when sickness comes it has to be accepted. And the father went on explaining how much medication costs him each month. Finally, I asked him what his income was. He works for an agency . . . now, what is it called . . . a security agency. In any event, he earns $3.37 an hour. On the basis of a 30-hour week, how much income does that make? Deduct from that the pension plan and unemployment insurance contributions, and what have you left? About $122 a week. That is not much more than $6,000 a year.

It is easy therefore to understand how difficult it is for him to meet his obligations. His wife worked and still does as best she can. If the state, in an effort to distribute more equitably the gross national product, helped to raise the living standard of those families whose income is below the poverty line, if an attempt were made to grant those mothers some allowance that could supplement the income of the father who goes out to earn his family's keep we would be no worse off for it.

Last year, when this motion was discussed, one hon. member said: Well, listen here, if the hon. member wants to pay his wife a salary, it's okay by me. But it isn't up to the state to do so. To talk like that is to distort voluntarily the real meaning of the motion I had presented. Obviously, if I were president of a company and had a salary of $50,000 a year, I could pay $5,000 to my wife to help her look after her household duties, if I wanted to. However, this is not the situation of the unemployed, nor is it the situation of the welfare recipient. And they are in great numbers today, Mr. Speaker, in our society. The essence of the motion is purposely being clouded. What does the hon. member for Bellechasse intend to achieve with his motion? He simply wants to implement in our country the altogether practical idea of a minimum family income to ensure that each and every member of a given family has at least the opportunity to satisfy his or her fundamental needs.

Mr. Speaker, in the spring of 1978 the Minister of Finance (Mr. Chrétien), the right hon. Prime Minister (Mr. Trudeau) and the cabinet introduced a measure to reduce the sales tax in order to help families with their budget and remove this burden of the sales tax on all items which are required in everyday life. Those were the arguments given by the Minister of Finance at the time. He submitted this was designed to exempt the largest families, those that consume most, from that sales tax burden in order to increase their net revenues. Second, it was meant to help this country's economy, because the increased purchasing power given to those families might boost consumption and thus allow our economy to perform at a more normal rate, through wider use of domestically produced goods. Such was the aim, to increase the purchasing power of individuals and families.

Mr. Speaker, last week I attended part of the first ministers' conference, between the Prime Minister (Mr. Trudeau) and the provincial premiers. There was a consensus, and I welcome this, that it was important for a new Canadian constitution to include in the first chapter the rights of individuals and families. Indeed, Mr. Speaker, the individual is entitled to sufficient revenues from work and other sources where he is unable to support himself. The same thing goes for families, Mr. Speaker. Families are the cornerstone of our society, the basic cell created by the Lord, because as I said if it were man's invention it would have long since disappeared.

Therefore, Mr. Speaker, in the name of Canadian mothers who really contributed and are now contributing to this country's development by giving our society boys and girls to fill important functions, I say we have an obligation, a duty to them, and I feel this is the time to try and show them that we, as managers of this country's affairs, recognize their important role in our society through economic and financial provisions.

Mr. Speaker, I am quite willing to support alternative measures if they fulfil that objective. But my insistence is that we make an effort to compensate for the purchasing power lacking in families at or below the poverty line.

[Mr. Lambert (Bellechasse).]

As I said, Mr. Speaker, whether she be poor or a millionaire, the mother giving birth to a child contributes just the same. She puts the same effort and deserves the same recognition. If the millionaire mother has advantages, so much the better. But we as legislators should strive to compensate for the low income of families where the provider earns a mere pittance, or is unemployed.

● (1720)

Heaven knows if there are jobless now in this country. I do not want to blame anyone but I say that today it is disappointing for mothers who made sacrifices to enable their young daughters to attend high school, the CEGEP or university so that they may earn a decent living, when those young girls—and it must be the same thing for everyone in this House—when those young girls after completing their education apply to an employer with their diploma, whether in the federal government or the provincial government or in the private sector, and they are asked: Do you have any experience? Since the young girl has just finished school, she can only answer: No, sir, I do not have any experience but I am willing to try. The employer tells her: We only hire experienced people here. Those young girls make their way back home and tell father or mother: It's too bad, he would have hired me, but I have no experience.

Well, Mr. Speaker, I would like the government, the Parliament of Canada, to be aware enough of those situations—there are hundreds of them—I would not want my words to be distorted—to allow those mothers who voluntarily want to stay home, because their role is to stay there, not to be penalized, not to be punished for choosing that role as opposed to those who decided to go and work in industry, in business or elsewhere. We now have in the province of Quebec—I say so because I know what I am talking about—young girls, registered nurses, who are refused jobs because other people without a degree are being hired to do the same work for less. I see, Mr. Speaker, that you are about to tell me that my time is up.

I would have had so much to say in favour of mothers, but I want all mothers in Canada to understand that I wanted by my motion to show them that they are performing an important role in this country and that we have a duty to them. I urge all my colleagues in the House to consider that we should fulfil our obligations to them by recognizing a right—the right to a decent family income.

[*English*]

Mr. F. A. Philbrook (Halton): Mr. Speaker, I should like to extend the customary commendation to the hon. member for Bellechasse (Mr. Lambert) for bringing forward motion No. 15 respecting the payment of an allowance to housewives. Unfortunately, I cannot support the motion, although certainly I support the principle, as I am sure all members of the House do, of assisting families to meet spending needs which result from the presence of children within the family unit. I believe, however, that the measure recently enacted by this parliament

to assist the lower middle income families in the form of a refundable child tax credit is far superior, both conceptually and practically, to the specific means of support suggested in the motion before us.

The hon. member would have the government consider a way of ensuring a global income corresponding to a family's needs. This is precisely the process that has been under way for several years and which led to the refundable child tax credit.

It surprises me that the hon. member would bring before this House a motion that is word for word the same as one he introduced previously and which was discussed in the House on two occasions last year, in one case by myself. The motion before us reflects none of the useful and constructive comments that were made by members of all parties in previous discussions. Most of all, it ignores the significant change which the new child tax credit represents in the way the federal government gives financial support to families with children.

In his motion and his remarks, the hon. member appears to recognize that many women have entered the labour force so that they and their families will be able to enjoy a decent standard of living. I wonder if he has considered how much money it would take to replace the lost earnings if these women were to stay at home as the hon. member would like them to. The figure would be in the billions of dollars. Where would the hon. member suggest we get this money? In December of last year, married women made up almost one quarter of the Canadian work force. Can the hon. member imagine the disastrous effect on the economy of this country if the contribution of these millions of women was lost?

Quite aside from any financial need to work outside the home, this government believes strongly that women as well as men, regardless of their marital or family situation, have an undeniable right to seek remunerative employment outside the home if they so choose. Suggestions such as the one implicit in this motion, that "a woman's place is in the home", particularly if reinforced financially as the hon. member suggests, lead to the creation of an atmosphere in which this basic right to a job can be questioned or denied. This is deplorable.

The motion would have us pay allowances to all "housewives who remain at home to look after their families." They are not even to be restricted to those with young children or to families in financial need. Clearly this is a measure aimed at keeping married women out of the work force. It is not clear why, in the absence of children, the performance of housework should by itself merit financial support from the government.

The hon. member has not yet given us any indication of how this allowance would be financed. Perhaps he would do this by taking away the family allowance and the child tax credit. He would be able to give those who stayed at home a bit more than they are getting now unless all the eligible women stayed home. Whatever increase he could finance in this way would not be large. It would not be large enough to persuade women from low income families to give up their jobs.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I rise on a point of order—

Mr. Deputy Speaker: The hon. member for Bellechasse on a point of order.

Mr. Lambert (Bellechasse): Mr. Speaker, I am quite prepared to respect the hon. member's time, but I would not like the population to be misled. The hon. member is saying that perhaps I would like to see the family allowances disappear and so on. I never said that; I never even thought about that. I said and I repeat that I would like people to be free to decide whether or not they will go out and look for a job.

Mr. Deputy Speaker: Order, please. I can understand that the hon. member does not like the comments made by the hon. member for Halton, but the fact is that one of his colleagues can rise and refute the hon. member's arguments later. The Chair cannot allow simultaneous and repetitive interruptions which can prevent other members from carrying on the debate.

[*English*]

Mr. Philbrook: Mr. Speaker, may I just say, in the interest of saving time, that the first speaker suggested these things. I am asking questions, such as where would the money come from, and so on. But I would like to carry on.

As I said, many of these women will not give up their jobs, and their families would not have enough to live on. How would the hon. member explain to these women that he had taken away their baby bonuses and their tax credits to give the money to those who stayed home, if in fact that is what happened?

When the same motion was discussed in the House on February 27 of last year, the hon. member for Vancouver-Kingsway (Mrs. Holt) expressed a view which I believe is shared by most Canadians. She said, as reported at page 3265 of *Hansard*:

> If there is work to be done in the home it should be paid for by whoever is earning the living, be it the man or the woman.
>
> There must never again be a Murdock case in Canada.

"Women and Pensions", a report produced last year by Kevin Collins for the Canadian Council on Social Development, adopted a similar view, concluding that the recognition of the value of housework should be enhanced through fundamental reform of the family law as it affects property. The report pointed out that current financial obligations between spouses are largely based on concepts on dependence and survival needs, rather than on a recognition of the value of housework or other unpaid contributions to the building up of family assets.

The principle of joint contribution to the acquisition of assets regardless of who pays the money out has not been widely established. This is, of course, an area which falls within provincial jurisdiction.

Pay for housework, the report also points out, does nothing to solve sexual division of labour inside and outside the home; it may simply serve to make it more rigid and to legitimize it. I would not want to see government interfere in family decisions in the way this motion suggests. To paraphrase an earlier statement of some renown, the state has no place in the kitchens of the nation.

● (1730)

I believe that the hon. member for Halton, that is me, Mr. Speaker, raised a very valid point in relation to this motion when it was last discussed in the House. It is a point which well bears repeating. Rather than trying to keep women in the home, he suggested the need for much greater variety in the organization of our work life. In particular, a greater use of regularized part-time employment could benefit parents and enable them to utilize their skills and contribute to the family income while sharing in housework responsibilities. In this way, one parent, usually the woman, would not be forced into the lonely, isolated existence which too often characterizes the lot of the housewife.

As I pointed out, many mental health experts recommend part-time work for young mothers to help them overcome the sense of deprivation of not using their education and prior training, and to cope with the lack of contact and stimulation which they experience when they become new mothers. If society and employers were to recognize the legitimate place of regular part-time work in the work world, this isolation could be reduced and, along with it, problems such as alcoholism, and emotional disturbances which are too frequently experienced by housewives. Greater availability of part-time work on a continuing basis would also allow more fathers to share more equitably in the performance of household tasks.

The motion presented by the hon. member for Bellechasse refers to an allowance for housewives which would provide "an additional family income to that earned by the father." The proposal neglects the plight of single parent families which are predominantly headed by women. I might add, however, that an increasing proportion of these families are being headed by men. As with most existing welfare systems, the proposal would evidently exclude such men from assistance. Even in the case of sole-support mothers, the proposed measure would be inadequate. Even though the member for Bellechasse has acknowledged in his motion and earlier statements that two incomes are often necessary these days to meet the expenses of a family, he would say to sole-support working mothers, "Sorry, if you want help from us, you will have to quit your job and stay home."

In contrast with this attitude, the child tax credit which has been enacted by parliament will result in about $106 million in payments to single parent families this year. These sole-support parents, of whom over 90 per cent are women, will not have to stay at home in order to receive this assistance. Of the money going to this group, $35 million will be a net gain to the lowest income single parent families, who are almost all headed by women.

[Mr. Philbrook.]

In total, $810 million will be paid to women in the form of the refundable tax credit entirely to those in middle and lower income families. Despite the reduction in family allowance payments, women, as a group, will be getting $120 million more this year in payments than they would have under the previous system. The measure proposed by this motion is intended "to ensure a global income corresponding to the family's needs."

Successive governments in this country have recognized for over thirty years that there is a need for intervention in the way in which the free market system distributes its rewards. As impressive as it is as a generator of wealth and income, the market system, if left to itself, does not ensure that all of our citizens will receive income adequate to their needs and those of their families. Wage rates are set without regard to the financial needs of their recipients. This is as it must be if the system is to operate efficiently. Clearly there is a role for the government in compensating for this market failure.

The Marsh report on social security in Canada recognized this over thirty years ago when it recommended the introduction of family allowances. The then prime minister, the Right Hon. W. L. Mackenzie King, stated that society had a responsibility to assist in the costs of child rearing.

Child benefits delivered by means of the income tax system have an even longer history in Canada than family allowances. Child tax exemptions were introduced in 1918 only one year after the start of the income tax system itself. It is interesting to note that for a brief period during the Second World War the exemptions were replaced by non-refundable child tax credits.

Family allowances were introduced in 1945 to complement the tax benefits. The federal child benefits system grew in importance to the extent that, last year, it distributed about $2.7 billion to Canadian families, with most of this being paid directly to mothers.

It was recognized, however, that despite this assistance, there were still nearly 600,000 families with over 1 million children living in poverty. Studies of the children from such families have shown that they are more likely to be sick than children from other families. They are also more likely to be severely retarded in their physical development. As a result of these difficulties, children from poorer families are less likely to perform well in school and hence are too likely to end up in low paying dead-end jobs. They, in turn, are unable to provide adequately for the needs of their children, and the cycle begins again.

The social and economic costs of this tragedy are enormous. Pressures on government-provided social and health services are increased. The connection between poverty and crime and violence is also well recognized, particularly in our urban areas. We are all losers when thousands of our fellow Canadians live in poverty.

It was with these considerations in mind that the recent changes to our child benefits system were enacted. The effort was made to get more assistance to those families which most

needed it. The government was looking for ways to reduce the level of government spending, and yet at the same time it recognized the need to help low and middle income families. The introduction of the refundable child tax credit combined with other changes was seen as a way of achieving greater fairness and doing a better job with the resources at our disposal.

As hon. members are aware, the child tax credit is refundable. This important feature will mean that benefits will be received by families whose incomes are too low to be taxable, as well as by those in the middle income ranges. Two thirds of Canadian families will receive benefits from this new measure.

There are admittedly some additional administrative costs associated with this new approach. Compared to alternative ways of concentrating the benefits at the low and middle ranges of the income scale, however, the approach adopted is a sensible one. Furthermore, the benefits to be derived more than justify the additional costs.

For recipients of the child tax credit who have not previously been required to fill out tax returns, there may be some initial confusion. The measures announced by the Minister of National Health and Welfare (Miss Bégin) to assist people in applying for these benefits should go a long way toward overcoming this problem. Ways of simplifying the procedure are being examined for application in future.

It is interesting that the motion before us speaks of the global family income, because this is precisely the concept that is being used to determine the amount of benefit each family will get from this measure. This approach was adopted because the government wanted to make the benefit correspond more closely to a family's need for assistance than would have been the case with a universal payment or if only the income of one parent had been considered.

Despite the reduction in the level of family allowances, this program will remain the largest single federal child-related program and will continue to be the foundation of the federal system of benefits. It will also remain fully indexed to the cost of living, as will the new child tax credit.

The new system that we have adopted is significantly fairer than the one in place previously. Low income families will now receive greater federal benefits than will high income families. This was not the case in the past and was the object of justifiable criticism from several quarters, including the National Council of Welfare in their report called "The Hidden Welfare System".

Mr. David MacDonald (Egmont): Mr. Speaker, I think we are indebted once again to the hon. member for Bellechasse (Mr. Lambert) for bringing this particular motion before us. In the previous debate which took place in this House a little less than a year ago the matter received support from all sides of the House, with a number of very definite reservations. I do not think that, in the main, these reservations have changed very much.

I am most intrigued by the government's response this year as compared to last year, at least if that is the one that can be measured by the remarks of the hon. member for Halton (Mr. Philbrook). I think that hon. member has, at least in some ways, improved the response from the government side in respect of this measure. He needs a bit more practise, perhaps, in reading, as indicated by the fact that when he started to quote himself he began by saying "he". I think, more seriously, he should do a bit more research in the area of child tax credit, particularly when he asserts, as he did almost as the main part of his speech, that the child tax credit meets a particular situation in recognizing the economic and social benefits of women in the home. I think that we need to do more research in terms of its impact with respect to women.

● (1740)

I was interested to note that the major concern of the hon. member for Halton was that the motion would have an impact on taking women out of employment situations outside the home, that it would create pressure to take women out of the market place and the mainstream of the economy, thereby forcing them back into a home-making situation. If the hon. member thinks that that is a problem, I suggest that he look at the principle which was adopted in the child tax credit bill. I will not repeat it because it was dealt with at some length both by myself and the hon. member for Kingston and the Islands (Miss MacDonald).

There are problems which are created by the principle which the hon. member referred to, in terms of the global family income assessment. From the standpoint of making a determination of greatest need, one can find little fault with the approach. But it is not a matter of dealing with the husband and wife in a position of equal equity at this point, because it is well established that the average income of women in our society for the same kind of employment that a man might do is only 60 per cent of that earned by the male counterpart. This is an indication that we still have a long way to go with respect to any kind of income equality.

The implication which is very much a part of the child tax credit plan is that there will be subtle and, perhaps, not so subtle pressures created to take women out of the work force and to force them, against their will, back into a domestic situation. I think it would have been useful if the hon. member for Halton had raised as well the problems in connection with the amendments to the Unemployment Insurance Act. We are still hearing the repercussions of that exercise.

If the hon. member had read the briefs by the National Action Committee on the Status of Women and the National Advisory Council on the Status of Women he would have found a number of reasons why they object to the approach which is being taken and which was creating a number of problems for women in the work force. However, that is not the substance of the motion before us this afternoon.

Since the hon. member for Bellechasse presented his motion, there has been more up to date information which has attempted to put a value on the work created in the home. In a study done in May, 1978, by Queen's University, they came up with a value of $60 billion, or one third of the gross national

product on work created in the home. A report by the Advisory Council on the Status of Women which came out in June, 1978, entitled, "Five Million Women, a Study of the Canadian Housewife", concurred with the finding, that the figure for work done in the home was very substantial.

The important aspect of the motion before us today, and which was before us last February 27, as I see it, is the recognition by society of the importance of the work done in the home. Quite obviously, this is the problem with which society and, up until now, the major organs of society, such as this House of Commons, have not adequately wrestled. As I said almost a year ago, I agree that more adequate economic and social recognition must be given to women who remain at home, indeed, not just to women, but men or women who remain at home.

I went on at some length in previous remarks on this same motion about the way in which lifestyles are changing to the point that increasingly men as well as women are taking on the domestic responsibilities in the home when they move out of the work force. Ideally, at some future point this is the kind of equilibrium we would like to achieve.

The hon. member for Halton quoted from a section of the Canadian Council on Social Development report having to do with women's pensions. His quotation bears repeating because it is the nub of the problem which we presently face, and that is that the pay-for-housework proposal does nothing to solve the sexual division of labour inside and outside the home. So far in this debate, this problem has not been referred to, but there is an acute and present problem having to do with elderly women in poverty as consequence of the many earning years they have spent at home raising families, looking after spouses and, as a result, not being eligible to contribute to pension plans.

According to recent statistics, the percentage of unattached women living in poverty jumped from 41.2 per cent to 45 per cent as of November, 1978. The percentage of unattached elderly over 70 living in poverty jumped from 58.1 per cent to 63.2 per cent, most of these people being women. Obviously there is a very pressing need to initiate some action with respect to the desperate straits in which older single women find themselves in our society, whether they are women who have worked for the greater part of their lives as single women, or women who have cared for families and who have been left in a destitute state in their later years.

In the advisory council report which was produced in June, they came up with a figure of some five million Canadian women who are performing up to 60 hours of work in the home per week. It should be recognized at the outset that the people who work in the home are not in a normal employment situation where they have an opportunity to report for work at a specific time, coffee breaks at mid-morning and mid-afternoon, or time off for lunch, personal duties, responsibilities, and so on. When we talk of women in the home, we are talking about women who work longer hours than in any other form of employment in our society, people who must work sometimes under extreme pressure, particularly during those years of heavy responsibility while raising a young family. Yet in no way have we tried to look at the responsibility of society with regard to people in the home.

The June report of the advisory council said that housewives should be compensated for their contributions and that economic ways should be found, including such things as guaranteed annual incomes, special provisions within the Canada Pension Plan or inclusion of housewives in general social insurance plans.

We are far removed from reaching that achievement. The closest we have come was in the discussions we had in this House last year with respect to the problems of taxation affecting farmers who, in many instances, employ their wives, or small businessmen who employ their wives and they are not allowed to make the proper income tax deductions which recognize the real contribution that spouses make in those forms of industry and activity regarded as small business. There has been a real failure by governments to examine their responsibilities with respect to the largest form of employment that exists, and that is the home. As the advisory council stated in June, "pension policies should take into account that pensions are assets and therefore should be included in the splitting of the marital assets based on the equal contribution of each spouse." The contribution would come from work performed both outside and inside the home. In other words, the advisory council on the status of women suggested that the time has come to place an economic value on housework to give it the basis which it deserves.

It is interesting to note that so far in the efforts to achieve recognition of the importance of housework to society, even the most minimal kinds of recognition have been ignored. Some members will recall that just a few weeks ago the National Council of Women was here to meet with the cabinet and respresentatives of all parties. One of their major requests which they have put forward on previous occasions was that homemaking be included as a recognized occupation under the occupational index of the Canada Employment and Immigration Commission. Surely, Mr. Speaker, we can go that far. I am sorry that so far this has not been referred to by the government side, but I would think that this is one matter on which all members can agree—a beginning of recognition of the importance of homemaking to the economy so that it could be included as one of the recognized occupations in the occupational index.

● (1750)

There is very basically an issue here which I think the hon. member for Bellechasse has quite rightly brought to our attention with repeated emphasis, and that is that women in the home make a contribution that in no way has been recognized, either in terms of any kind of allowance or compensation or tax recognition, or even in terms of the recognized pension programs that deal with the plight of elderly women in our society.

I think, Mr. Speaker, we must also recognize that if we were to enact this particular provision by itself, without recognizing

the particular problems that women are presently encountering in maintaining their right to be a part of the over-all work force of our society, we might at this period cause a very serious dislocation.

As members will know, I and other members in this House have been troubled by the increasing references by members of the government to the problems that are created by the economy when women are increasing their participation in the work force. I think this does no credit whatsoever to the over-all economic strategy of the government in terms of trying to achieve greater employment opportunity for both men and women. I think that again this motion by itself would add only further momentum to the kind of misunderstanding and misdirection created by the government with respect to its attitude to women in the work force. However, Mr. Speaker, I think the essential principle—and that is the recognition of the contribution, both economically and socially made by people in the home, whether it be women or men—is rightfully brought to our attention. I would hope that in a further debate on this matter not only will we hear from the member for Halton, who is very interested in the issue, but also from the minister who has the responsibility for the status of women.

Mr. Deputy Speaker: The hon. member for Ottawa-Vanier (Mr. Gauthier) on a point of order.

[*Translation*]

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, I would like to ask a question of the hon. member. Since he is constantly referring to the report, I might specify that it is entitled: "Women and Work—Five Million Women: A Study of the Canadian Housewife" by Monique Proulx, published in June 1978. Is that right? While reading the report one of the things—

Mr. Deputy Speaker: First the hon. member must get the permission of the hon. member for Egmont.

[*English*]

Does the hon. member allow a question?

Mr. MacDonald (Egmont): Yes, Mr. Speaker.

[*Translation*]

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, what I am interested in, what is of concern to me, is to know what exactly does the hon. member think of the famous question asked of a woman: Madam, do you work? That question is of concern to me because it has a rather difficult and embarrassing impact when statisticians are canvassing neighbourhoods and asking that question of housewives, or mothers as the hon. member said. Could the hon. member tell us what his position is regarding that question which is, I think, basic? Does he consider that the housewife, the mother, is doing unpaid work in the proper sense of the word? What is his own definition and how would he answer such a question asked of every Canadian woman?

[*English*]

Mr. MacDonald (Egmont): Very briefly, I think that given the fact that work in the home is the most prevalent occupation exercised by any individual in our society, and since I believe there are many occupations outside the home which are a lot less precise in terms of both their responsibility and activity which are defined in the occupational index, there could be devised basic criteria which would meet the question put forward by the hon. member for Ottawa-Vanier (Mr. Gauthier). I see no problem with that whatsoever, and I think that that would be the first step towards some real recognition in terms of its importance to the economy and to our society.

Mr. Deputy Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I do not want to see this motion talked out. Therefore my contribution will be very brief. The hon. member for Halton (Mr. Philbrook) criticized the hon. member for Bellechasse (Mr. Lambert) for putting down in exactly the same wording, the motion he has put down on previous occasions. May I congratulate my friend for doing just that, for staying with it. That has to be done around here, I can tell the hon. member that.

One of the other reasons why it is not necessary for me to speak more than a moment is because the issues have been well discussed by the hon. member for Egmont (Mr. MacDonald). I agree with him that it is good to have this motion before us because it brings into focus the whole thrust of recognizing the work that women do in the home. There are various ways it should be recognized. One is by an allowance which, after all, is the family allowance made larger, and another is by proper pension recognition for work done in the home. The other points raised are also important.

At any rate, Mr. Speaker, we have begun to move on this issue. We have moved slowly thus far, and I am glad the hon. member for Bellechasse is making a crusade of it. He has my support.

Mr. S. Victor Railton (Welland): Mr. Speaker, in the few minutes that I have left I will take the opposite side. I feel that the changes in the benefits for children which have occurred since the motion was put on the order paper, and the changes which are going to assist low and middle income families, will pretty well do what the hon. member for Bellechasse (Mr. Lambert) requests.

Contrary to the opinion of the hon. member for Egmont (Mr. MacDonald), I would say that the problem is not a case of recognizing the obvious. All of us recognize the very important work of the housewife or the woman in the home. The problem is not so much financial reward, because I am sure we have other and better ways of ensuring they have enough on which to live. The main thing is to give the women a chance to get out of the house, to engage in work of a gainful character outside the home. The woman in the home is generally not so anxious for financial reward as to get out among other people.

There are a great many people in the low income category who never get a chance to go out and have a good time. As the hon. member for Egmont says, they do not even have a chance for a coffee break or to discuss what is going on in the world. They are absolutely house slaves. Just giving them an income and money would not get them out of that enslavement. They should have a chance, when they have finished bringing up the three or four children which is the family target in society, to engage in a gainful occupation so that they can hold up their heads with the male members of society.

At the same time, because of their restriction to the home and housework, we must recognize and admire their devotion. Of course it is obvious too, that some put in long hours but do not accomplish very much.

Because of their restricted life, I think women have a greater tendency to retire into senior citizens' homes than men do. As a consequence, they suffer a greater amount of mental depression than their male counterparts. I think this is due to the fact that they have not had the chance for wide contact with other human beings at all levels of society and with varied interests. This is because of the narrowness and bleakness of our culture, and their cultural possibilities. They would be far better off working 60 or 70 hours outside the home and all of them, as has been mentioned before, would do very well indeed to have at least part-time work for a certain portion of their lives.

Mr. Speaker, I see it is six o'clock. I am sorry I have had to give such a condensed summary of some of my points.

Mr. Deputy Speaker: Order, please. The hour appointed for private members' business having expired, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (SUPERANNUATION) AMENDMENT ACT, 1978

MEASURE TO CHANGE RETIREMENT BENEFIT PROVISIONS

The House resumed consideration of the motion of Mr. Buchanan that Bill C-12, to amend the Supplementary Retirement Benefits Act, the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act and the Members of Parliament Retiring Allowances Act, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

[Mr. Railton.]

The Acting Speaker (Mr. Turner): At five o'clock the hon. member for York-Scarborough (Mr. McCrossan) had the floor.

Some hon. Members: Hear, hear!

Mr. Paul McCrossan (York-Scarborough): Mr. Speaker, as I was saying this afternoon, not only did the actuarial commission find out that the government had confused the true cost of the plan with the amounts it was setting aside, but the actuarial commission reported that the assumptions in the government's valuation were not realistic. In particular, they pointed to one specific pair of assumptions. First, even though pensions will be paid based upon final salary, no salary increases will occur, and second that although the fund was earning 7.6 per cent, it would only earn 4 per cent interest. In other words, the chief actuary was implicitly assuming that some of his assumptions offset each other. He was explicitly underestimating the cost of the plan by assuming that no future salary increases would take place, and hoping that this would be balanced out by explicitly underestimating the amount of interest earned by the fund.

I am sure individually these assumptions do not make sense. They do not reflect reality. It is even questionable whether taken together they make sense. But I would like to stress that at no time did the chief actuary ever indicate that the only interest required to be earned by the fund to provide the benefits was 4 per cent. He merely used this low interest rate, together with no provision for future salary increases, to simplify the calculation.

The consultants found that on the basis of their best estimates the combined cost of the Public Service Superannuation Act and the Supplementary Retirement Benefits Act for current employees was 15.3 per cent of payroll, and the current year's cost for past service benefits amounted to an additional 19.1 per cent of payroll. This 34 per cent compares with an average employer current service cost in the private sector of 5 to 6 per cent of payroll.

The consultants also found that no conclusion could be drawn as to whether the total compensation of the public sector was greater than the total compensation of the private sector, for a rather interesting reason. In spite of the fact that total compensation comparability was explicit government policy, and we still have a bill before this House saying it is explicit government policy, the government had never made a study to find out what the facts were. According to the actuarial report, the impression created by the basic facts paper that the value of pensions for federal public servants was no better than that found in the private sector was false.

The consultants made several specific recommendations; several of these affect this bill directly. They recommended that a valuation of the combined plan be made with each plan change. They recommended that these valuation assumptions be made as realistic as possible. They recommended that a valuation of the combined plan occur at least every three years. They recommended that the contributions to the plan

should be made in line with the results of the valuation as is required in the private sector.

● (2010)

In response to the actuarial report, the then president of the treasury board indicated that he was going to make changes which were "just and fair in terms of their impact on taxpayers", however at the same time "the principle of maintaining the purchasing value of pensions . . . is a principle to which the government is committed and remains committed." It is rather interesting how he married these conclusions. He started by stating that there are experts who feel that we can count on seeing a long-term situation in which interest rates will be 3 per cent to 4 per cent ahead of the rate of inflation.

I find that interesting because the only five-year period over the past 55 years in which the real return was 4 per cent or above was the first five years of the great depression. I will admit that there are many experts who believe that this government's economic policies are leading us inexorably into the next depression, but surely that is not something the government wants to count on in setting up its pension plans.

On the other hand, it is possible that those experts reside in the Department of Finance. In fact, it may be that one of the so-called experts is the Minister of Finance (Mr. Chrétien). After all, he has been feeding out highly optimistic financial estimates to this House since he took over the portfolio.

The fact is, there are experts and there are experts. Some, like the finance minister, have no credibility. Others are well respected. I believe we have a duty to find out just what well-known economists are predicting real returns at this level. In fact the only period that we have seen of real returns of over 3 per cent are years in which we had changes in the consumer price index of less than 4 per cent. This 4 per cent was the original objective under the anti-inflation program, but then that was just another of this government's over-optimistic forecasts.

In any case, having introduced these experts, the President of the Treasury Board indicated that he saw two basic choices; one was to continue the current plan and see which of these so-called experts were correct; the other was to introduce immediately a set of ad hoc adjustments. The minister of that time said that in his view the stakes, namely, the welfare of future taxpayers and pensioners, are just too high to gamble on continuing the current arrangements.

When the government introduced the new arrangements it was gambling as well, gambling with the lives of our public servants. Yet the implication in what was said is that somehow it has reduced the risk.

What we have before us now is something even more nebulous than what we were presented with in 1973. In 1973, we at least knew half of the equation, we knew what level of benefits our pensioners were likely to get. We did not know what it would cost.

With this legislation we do not have the cost estimates once again. But this time we do not have any idea what level of benefits will be provided in the future. The government is asking us to buy a pig in a poke, to pay an unknown price for a series of unknown benefits. We owe our public more than this. We have to find out what the price of these benefits is for the general public, and similarly we ought to ensure public servants that they will receive a decent pension, a pension reasonably related to future changes in the cost of living.

That is the purpose of the two questions that I asked in the House on November 3. I am concerned that these ad hoc arrangements will not deliver adequate benefits to our retired public servants. I am particularly concerned because of the way the plan is divided into the three groups consisting of the RCMP, the armed forces and the public service. Before we adopt any plan which changes this multi-billion dollar plan, we owe it to ourselves and to our public to ensure that in the future the plan produces reasonable benefits at a reasonable cost.

The hon. member for Winnipeg North Centre (Mr. Knowles) earlier today spoke of his willingness to accept slight reductions in benefits at this time. We know that over the first three years the public servants would not be entitled to full indexing. However, we have no idea from this government what level of indexing will be provided for in the future. Will it be one half the cost of living or one quarter? Just what is the government proposing? What are the public servants likely to receive under inflationary conditions in the future? That is a question that must be answered before we vote on this bill.

The second part of my question of November 3 had to do directly with the cost of the program. As I indicated, it appears to me, and certainly I am willing to be corrected by the President of the Treasury Board, that the changes which have been introduced will place a greater burden on the public treasury to support the public service superannuation account, a burden which could be in the order of a hundred million dollars each and every year.

This transfer arises because of the use made of that arbitrary 4 per cent interest assumption. I mentioned earlier the fact that the chief actuary assumed a yield of 4 per cent on the money to offset the assumption that there were going to be no future salary increases. This did not mean at all that he only needed 4 per cent interest. He needed the excess interest earnings to offset the deficiency in the salary assumption. Yet what the government is proposing to do, Mr. Speaker, is to give these so-called excess earnings from retired pensioners' accounts to support their indexed pensions.

We heard the hon. member for Ottawa West (Mr. Francis) taking just one side of the equation today. He talked about the excess interest earnings, the windfall gains in interest that are made. If there are high interest rates in the future, it will likely be because inflation is out of control again. If there are high interest rates, there are high rates of salary increases. If there are windfall gains in interest, there are windfall losses because of the salary increases, because we guaranteed to pay a pension based upon the final salary. That is a very simple idea. One offsets the other. He cannot do what the government has just done and take the excess earnings on the interest, say that

is for the pensioners, and the excess losses, because of future inflation, are for the taxpayer, yet that is what this government is trying to do in this bill.

We had serious questions raised in this House about the cost of the total plan, and particularly the cost of indexing. What the government appears to have done is primarily to transfer an unknown amount of money over from the Public Service Superannuation Act to support the Supplementary Retirement Benefits Act and somehow pretend that everything is all right if the matching contributions plus these additional transfers make the indexing portion work. I think this is just a sham; it is a flim-flam. You cannot just transfer money from one side to another and say, "Look, the other side is now fine." That is Dagwood and Blondie economics. It reminds me of a situation where Dagwood and Blondie each have $30 and they both need to buy a $40 item. Blondie says to Dagwood, "Give me $10, then I will have $40 and at least one of us will be better off." In other words, forget what is happening on the other side. There is no more money created by this little exercise.

We have to look at both plans in combination and find out what is the additional public liability as a result of transferring these earnings out of the PSSA. Certainly it appears to me that what it will do is to increase the experience deficiencies of the PSSA dramatically.

In any case we do not know if it is still proposed to credit the pensioners with the excess over 4 per cent, since it is my understanding that the valuation which is being prepared will be made using realistic assumptions and the 4 per cent may not itself appear in the valuation any longer. We do not know, because the report due December, 1977, has still not appeared in spite of our requests that it be produced. Besides these two specific items, what the benefits will cost and what the benefits would look like, I have other reservations with the bill.

The bill should contain a provision to value the plan every three years, or prior to any subsequent plan amendment. This valuation should also include benefit projections.

In addition, question No. 556 that I placed on the order paper on November 9 was designed to give us essential information to judge this bill. How can we comment on the bill with no financial data presented by the government? In particular, I feel it is necessary to look at a projection on the amount of future indexing available for each of the three categories of employees separately, the armed forces, the RCMP and the civil service. I believe that what the government is doing in this bill is intrinsically weakening the funding basis for retired pensioners. It may well be that the ad hoc arrangements of their indexing come unhinged for one group before the others. If there is one group going to come unhinged, it will be the veterans. The House must find out when the indexing is going to break down.

● (2020)

Another question was designed to raise the point about the rate of interest credited to the fund. This has been a point of contention with public servants for some time. They feel they have not been credited with the rate of interest they could get if investments in private securities were allowed. Of course it is not necessary actually to invest in outside securities at all to credit a higher rate of interest. The current plan, after all, doesn't invest in real securities either; a hypothetical fund is set up to determine the amount of interest payable. The hypothetical fund could just as soon assume some other type of investment.

However, many Canadian actuaries have expressed great concern about our country's ability to pay for these phantom-funded plans because of the significant demographic changes which are going to occur in Canada over the next 50 years as the baby boom passes through into retirement. This is a point the hon. member for Ottawa West raised today. What is the difference? The difference is that with the phantom-funded plans we have now there are no real assets. The only asset we have is the future taxing power of the government.

With the demographic changes which will take place in this country, with the rapid increase in retirees as compared with the working population, I think we should give very serious consideration to the—

The Acting Speaker (Mr. Turner): The hon. member for Ottawa West on a point of order.

Mr. Francis: I would like to ask the hon. member if he considers the public debt of Canada to be absolutely insignificant and worthless. Is not the asset of a Public Service Superannuation Fund just as real, just as valid, just as good as any security of the Government of Canada?

Mr. McCrossan: That is exactly what I have said. The point is that the rate at which we are building up debt is a source of concern to me because future taxpayers will be called upon to make good those obligations. And we owe it to the people of Canada to investigate just what that tax load is going to be in the future to pay off these obligations when they come due. For these reasons I ask whether any consideration is being given to setting aside some portion of the liability in real assets, not just hypothetical funds.

Again, the hon. member for Ottawa West said we had no choice, that we couldn't interfere in the private sector. Well, Mr. Speaker, I am sure that if the hon. member takes the time to investigate he will find out that a reasonable portion—a small but growing one—of the Quebec pension plan is invested in the private sector. It is doing so without unduly influencing the private market. I am not suggesting that the whole fund should be invested in the private sector. Not at all! That would be quite another matter. But I think there is some merit to building up some portion of the fund in real assets.

I would like to make one final point in relation to this bill, Mr. Speaker. In Bill C-56, the amendments to the Income Tax Act, brought before the House last spring, the Minister of Finance restricted the rights of an individual citizen to retire before age 60 if they were funding their retirement plan with an RRSP. I talked today about the public perception that public servants have been set aside as a special breed in society. Here is another direct example. Public servants are

allowed to retire on full pension at age 55. Individuals outside the public service are prohibited from having access to their retirement funds—their RRSP fund—for pension purposes until age 60. Not only that, the public servant receives a thousand dollar annual tax exempt income from age 55, while the RRSP policy holder, even if he takes money from age 60, does not get his tax exemption until age 65.

I am not for the moment suggesting that public servants should be restricted from retiring at age 60. However, I do believe the two acts should be brought into harmony. We cannot continue to have one rule for the public servants and another rule—designed by public servants—which is more restrictive for the rest of the public. We would be perpetuating an unfair discrimination between the retiring age at which members of the general public can have access to their pensions in the form of RRSPs and the age at which public servants can have their pensions. This House should consider directly harmonizing RRSP provisions with the early retirement provisions granted public servants.

This is a period of wide-scale cynicism and skepticism on the part of the public with respect to the government. What we have before us today is another bill to change the public service pensions, a bill for which so far we have no cost-estimates for the changes contemplated. On the contrary, we have what might be construed as a deliberate concealing of the cost effects of the PSSA. We have been provided with no benefit projections so that that public service might have some idea what they are paying for. The sort of cynicism I mentioned will only be magnified if the government continues to lay important financial bills in front of this House without providing any financial data.

In summary, Mr. Speaker, what I have been saying is that we face two obligations when considering any bill of the sort before us. We have an obligation to the general public, and we have an obligation to the public servants. In order to fulfil these twin obligations we must have some figures presented to us upon which to make an intelligent decision. In addition, we should ensure that from this point on such figures are provided us regularly, every three years, or upon any planned amendment, to ensure that parliament retains financial control over substantial expenditures. In the absence of any financial information how can we approve this bill? How can we commit the public of Canada and the public servants of Canada to this plan when we have no idea of what the plan actually is?

No wonder our economy under this government is in such dire straits today. Today we know that in 1973 we spent $6 billion. But we found that out only last year. Almost without thought we committed ourselves to spend that money. Today we are being asked to make future plans in the dark once again. Why? The real problem underlying this bill lies with inflation, not indexing. What we need to do is direct our attention to bringing down inflation. The hon. member for Ottawa West said today we have to learn to live with inflation. That is not something the party to which I belong accepts at all. That is Liberal philosophy. We have to take control of our financial expenditures in this country, and this bill is a good place with which to start.

I believe we must support this bill on second reading, if only to get it into committee. Then in committee the government will, hopefully, present us with some information on which to base our consideration of the bill. I cannot believe the government would present such a bill to parliament without evaluation, without benefit projections. Surely we have a right to see them. The public must be served. If we do not have the right to see them, if the government denies us this essential information, surely the public will condemn this government once more for its economic flim-flammery.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, I intend to speak extremely briefly on Bill C-12. I intend to do so because I support the bill strongly. I support the comments made on Thursday evening by the President of the Treasury Board (Mr. Buchanan), the speech by the hon. member for Winnipeg North Centre (Mr. Knowles), and the excellent speech made this afternoon by the hon. member for Ottawa West (Mr. Francis).

My reason for rising to enter this debate is the fact that early on when this became a public issue and the National Citizens Coalition started their campaign, I replied that I disagreed with their approach and that in my view it was full of error. I put together and distributed a statement, and some of the organizations within the public service which came across the statement thought it had a good deal of merit. They, in turn, circulated it across the country because it was supportive of adequate public service pensions and, indeed, of adequate pensions in general. I suppose it was because of this that the National Citizens' Coalition decided they should apply a lot of pressure to myself and they did so through a variety of means.

Therefore, I thought I should stand in my place this evening and put on record the essential points which were made in the statement I read some time ago in response to their original misrepresentation. I regret the National Citizens' Coalition did what they did. It developed a good deal of ill will toward public servants which they in no way deserve. In my opinion Canada is well served by its public servants, and the kind of insinuations made about them were very disagreeable for the public servants to bear.

• (2030)

At a meeting after this became a public issue I asked some people what they thought the average pension of a public servant really was. Some of the responses were $15,000, $16,000 or $20,000 a year. I think I am fairly accurate in saying that the average number of years a public servant works is 25 and that after that length of service his retirement pension is about $5,100 a year. When people understand that, they begin to think that the issue raised by the National Citizens' Coalition is pretty phony.

I think the National Citizen's Coalition is running a stalking horse in its intervention so that people in the private sector

who resist setting up an adequate pension plan for employees in the private sector will not have to begin thinking in terms of putting together a pension plan which would provide adequate benefits for employees.

So far in this debate spokesmen for all parties—at least the principal spokesmen—essentially agree with the provisions of the bill. More importantly, they have joined in opposing the National Citizens' Coalition. However, I am not sure I can say that in all sincerity about the previous speaker, the hon. member for York-Scarborough (Mr. McCrossan).

The hon. member for York-Scarborough represents the opinion which is expressed very often by supporters of his party. I hope hon. members opposite follow the lead of the hon. member for Hamilton West (Mr. Alexander) and attempt to convince their supporters that his is the stance they should be taking. I am sure there are many supporters of the official opposition who will be amazed that the hon. member for Hamilton West should take such a moderate stand. I think he has taken a rather progressive point of view on this bill.

Mr. Alexander: That is what I am, a Progressive Conservative.

Mr. Milne: I congratulate the hon. member for Hamilton West for doing that, but I am sure his stand is not in tune with some of the things which are being said by some of the supporters of his party who try to pursue the argument that somehow the public service has a very rich pension plan, that the private sector could in no way afford such a plan, and that somehow that would amount to a tremendous liability for the taxpayer.

There are really two basic questions at stake here. One is support for good pension plans, both private and public. The hon. member for York-Scarborough seemed to be putting forward the argument put forward vigorously by the National Citizens' Coalition, that we should be pulling down public service pensions rather than that in the private sector there is a need to increase pensions so that people working in that sector have adequate protection. It seems to me that many of those who associate themselves with that school of thought have never worked on farms or known the rural communities in that part of Canada where I was born and grew up years ago. People who were not owners of farms and who worked out as hired men did not enjoy favourable retirement conditions because they were very poorly paid during their working years. It was very difficult for them to put money aside for retirement. Anyone from that kind of environment has to be a strong supporter of adequate pensions.

I am delighted that the hon. member for Hamilton West and the hon. member for Winnipeg North Centre argued that point. They did so very well. The issue is adequate pensions for all Canadians, not tearing down the public service pension system which has been established.

The President of the Treasury Board established in his speech that the basic pension plan is very sound actuarially and that Bill C-12 would make the indexing provision of the plan actuarially sound. In the statement I prepared, a condition upon which I said I would support public service pensions is that there must be an adequate pension, but it must be actuarially sound. There must be a decrease in the pay-out to accomplish that, and Bill C-12 does that. That was the part of the argument of the previous speaker which I did not follow. He said that somehow there was no information available as to what this would cost if parliament should commit itself by passing this bill.

I think the President of the Treasury Board was very clear when he said in his speech that the question now would be how much pension could be paid with the money available, not how much it would cost, and I invite the hon. member for York-Scarborough to read the comments of the President of the Treasury Board because the answer to the very questions the hon. member was raising is the basis of the bill.

Another point I made in my statement is that, for the life of me, I cannot follow the line of argument which essentially says that we should not have good pensions. In the absence of good pensions the needs of people in their retirement years will have to be funded from the tax base. I am amazed that the National Citizens' Coalition should not support the argument that it is better to have employees contribute to an adequate pension plan for their retirement years during their employment years. If we argue against pension plans, then we must also argue that after retirement, when there is great need, the government will have to help in a substantial way.

I am sure we all remember that a few years ago the pensions of teachers, nurses and other groups were very modest and not indexed. After a period of inflation those pensions became very inadequate. There were strong representations to governments about how inadequate those pensions were, and after a time governments were obligated to put very large lump sum payments into those plans in order to improve them so that people on those pensions could go on. That is not a good way to go about supporting Canadians in their retirement years. However, that seems to be exactly the argument the National Citizens' Coalition has been making.

The major provisions in this bill regarding indexing not beginning until age 60 are fair. The proportioning of the amount of indexing available to a person at retirement, given the date of retirement, is very fair. We all know about the advantages enjoyed previously by those retiring in the last days of December. On January 1 of the following year they had the advantage of a full year of indexing. I think that is very unfair to those paying into the plan. I think it is taking advantage of the plan, and changing that should surely be accepted by the public service and supported by all hon. members.

The basic theory of the bill regarding the amount of pension the plan can afford is also good. I am pleased that the President of the Treasury Board feels that there should be a basic amount available so that people who earned low salaries and wages throughout their working lives can have at least a base upon which to operate rather than a completely comparative type of pension plan.

One question raised by the hon. member for Hamilton West the other night was the question of why there has not been an

opportunity for the public service to increase their contributions, given the fact that as an employee group they do contribute, on a percentage basis, as high a percentage as any employee group of which I am aware. That is a good point, but I think even the public service recognizes that the indexing provision of the plan at the present time cannot be actuarially sound and therefore there are two options, one to gear down the pay-out so that it balances, and another to contribute voluntarily over a year or so a higher percentage of salary so that there can be full indexing without any liability to the taxpayer. There may very well be good reasons why both those options were not offered, and I think when this bill is in committee this might be explored to see whether there is in fact a possibility in that regard.

● (2040)

I represent a very large number of air traffic controllers in my riding by virtue of the fact that Toronto International Airport is located on the boundary of my riding. I think the special provision in the bill for air traffic controllers is fair and just. It is a provision for which they have argued over the years, and I was glad to see that provision in Bill C-12 in terms of their indexing procedure.

I just wanted to make the point that for quite some time I have been upset by the approach of the National Citizens' Coalition and the kind of half truths which they have put forward. This has done a great deal of damage to the credibility of the public service. I want it to be put on the record that I support the provision of adequate pensions for all Canadians. The issue should be whether or not all Canadians have adequate pensions, rather than the argument that because public servants have contributed more than any other group on a percentage basis they should have a good pension. I wonder why the National Citizens' Coalition, and some of the people in the business community who support their argument as strongly as they do, do not see the value of my argument. It is far better to have an employee contribute to an adequate pension plan during his or her working years than to give him a small pension and have him look to the government to supplement it from the tax basis during his retirement years.

Mr. Speaker, I appreciate the opportunity I had to contribute to the debate briefly.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I intend to confine my remarks tonight to the RCMP and the manner in which this bill affects that force. I will be somewhat critical of certain aspects of it in so far as it concerns the force. I happened to hear the hon. member who has just resumed his seat refer to air traffic controllers. The bill contains a provision to establish a special pension program, which was agreed to by the government in 1976, I believe, for air traffic controllers in operational or tower service. In effect, the provisions bring them increased pension benefits, in addition to the 2 per cent of salary which is contributed by controllers once the bill takes effect and is matched by the employer in order to pay for these benefits.

There is a good reason behind those special provisions. Air traffic controllers in operational or tower duties operate, particularly at heavy density traffic aerodromes such as Toronto, Montreal and others, under very heavy stress. They have in their hands the lives of crews and passengers of literally hundreds of aircraft coming in and out of those airports daily. So there should be special provisions for them. They burn out.

A somewhat similar argument can be made with respect to those who serve in maximum security penitentiaries in the country, and indeed that is one of their annually recurring submissions with respect to their retirement plans. The stress factor applies even more forcefully to members of the police forces, not just the RCMP but any police force, particularly those in the larger metropolitan centres. I will quote briefly now from the *Canadian Police Chief* issue of January, 1979, from an article by inspector Charles Massey, police chaplain with the Ontario Provincial Police. The article begins as follows:

> The evening news has just ended. It's 11.30 p.m. She went in to check the kids and re-tuck them in. She returned to the living room, sat sleeping in front of the late movie and waited for Jack to return from the 4-12 shift. It was a good movie and she didn't notice the time passing. Later, glancing at her watch, she saw 1.30. "Where's Jack? . . . must have had a late call", she thought. Fifteen minutes later she heard a car pull into the driveway and its door close. Then the doorbell rang. " . . . must have forgotten his key." She opened the door and there stood the Detachment Commander and the Chaplain. "Mary, there's been an accident . . . Jack's been shot . . . he's dead . . ."

That is not an isolated sort of occurrence. That has happened so far, during 1978 at any rate, some 50 to 60 times in Canada. Just last week a member of the force was killed in the Yukon. What happens? There is a separate pension fund for dependants of members of the force, but the Royal Canadian Mounted Police Pension Continuation Act, which has to be considered when considering this kind of legislation, is still in the dark ages so far as the treatment of dependants of officers of the force is concerned.

Consider this other example of an officer who was killed on duty who had over five years of service. Under the pension continuation act, the widow and children of that deceased member of the force are entitled to 50 per cent of his entitlement. If we refer to the pension superannuation act, we find that if a member of the force dies with less than ten years service, his widow and/or children receive a return of his contributions or an amount equal to one month's pay for each year of pensionable service, whichever is greater. Contribution of single members are payable to their estate. That certainly would not take a widow with three or four small children very far.

Let us consider another example, and I purposely avoid names here. This is an example of a member of the force in the maritimes who had served 21 years in the force and died of a heart attack. He left a wife and five children, the oldest was 16 and the youngest was two years of age. That widow and her five children are living on a pension of $490 a month. I believe—and I believe that that belief is shared by all members of the House—that that is a disgraceful way to treat members of a fine force such as the RCMP and their dependants in circumstances such as I have outlined. There is no way that a

widow with five growing children can survive on $490 a month.

This is current data from which I will quote now. I am not going back to the days when my father received a grand total of $93 a month as his pension after 30 years of service. That sort of a situation cannot be allowed to continue, I suggest. Adequate provision must be made for the special nature of the force and for the dependants of the deceased members of the force who meet their end while serving or while on duty.

I want to say a word or two about the stress factor, but before that let me just quote one or two significant statistics from the force. During 1975 and 1976 there were 747 members who left the force of their own volition. They chose to do so prior to becoming eligible for a pension. Only 286 received a pension in the same period. In other words, it is more attractive to leave the force than to remain in until pensioned. There is no real incentive, pensionwise, for members to serve out their period in the force and go to pension.

● (2050)

The statistics are also significant for another reason. They show that the force cannot, I submit, be compared to other facets of the civil service, with the odd exception such as air traffic controllers in operational tower duty or, perhaps, prison guards. The force cannot be compared to other facets of the public service precisely because of the stress factor, shift work and the days off situation, particularly where families are concerned.

It is far too easy to say that a person knew the situation before he got the job, but complete understanding cannot be gained until one is completely immersed in the job. The police force job is not the same as an industrial job. A man in industry does not have to face the problem of having to stop a car in the middle of the night looking for a dangerous criminal, not knowing whether he will be met with a sawed-off shotgun. That man's wife is not wondering if he is coming home at shift end, two, three, four, 24 hours later, or never.

The stress factor is very well documented and I do not have the opportunity of going into it in any great detail now. The force, indeed, has commissioned a study which should be completed by now and should be made available to members as rapidly as possible in order that this kind of legislation will not appear before us again without some adequate remedies for the situations I have described.

At the present time in the force the pension of a member is based on the average salary over the last six years' service, but to state that at 35 years' service one is eligible to receive 70 per cent of salary as pension is very misleading. That, indeed, is not the fact. If one is to consider a sergeant retiring after 25 years' service with six years in the ranks, one is led to believe he is eligible to receive 50 per cent of his salary, when in fact he receives only 41 per cent of his salary at retirement. Similarly, at 35 years' service he in fact only receives 58 per cent of salary on the day of retirement.

The theory behind pensions, as I understand it, is that having given the best years of their lives to the service, their country and their government, they are entitled to a minimum of security at retirement. They do not have that now, and certainly it is glaringly apparent that their widows and dependants do not have that now.

We have heard opinions about the effects of inflation here tonight. It is my view that inflation is caused by the government, and members of the force have absolutely no way of defending against it. The inducement of a pension when a member of the force was recruited was an influencing factor in many cases of those joining the force. Most members leave the force with 24 years' service, not because they want to but because they must in order to take advantage of their youth in gaining other employment to meet the needs of their families at a critical time in their lives. They are fully aware that the pension they are to receive will not sustain them in any dignity or standard of living.

Most police forces in the United States permit members to retire on 20 years' service with half salary. There are other advantages as well. I want to draw for members some very startling comparisons. For instance, in the state of Alaska state troopers operate under this plan. The contributions are 5 per cent of salary; contributions earn 4.5 per cent interest; pension benefits are available at any time after five years' service; normal retirement is at 20 years' service at half salary; salary is averaged over the past three years, and that is the way it used to be in the force and the way they want to return to now; thirty years is maximum service, or 55 years of age; pension cost of living is indexed at 4 per cent if the fund is solvent; benefits are tax exempt; there is a 10 per cent increase in benefits if the receiver is a resident of the state of Alaska, an inducement to stay there; benefits are stacked to social security; no-cost medical insurance to the receiver and dependants; when the plan is fully funded the administrator can make investments in the private sector, with funds realizing current interest rates; and there are three separate operational survivor plans for dependants.

Contrast that with the treatment we accord in our pension legislation to members of one of the finest, if not the finest, police forces in the world. Are the United States pension funds being bankrupted? I suggest that is not the case.

Police work is an occupation requiring the stamina of youth, and that is particularly so of the RCMP. Many recognized authorities on police administration and psychology take the position that the stress factor in the police profession is the symptom of higher rates of suicide, marriage breakdown, alcoholism, and a shorter life expectancy.

Indeed, I just read today in that same "Canadian Police Chief" of January, 1979, that current statistics show 225 suicides per 100,000 police force population in Canada as opposed to 16.5 per 100,000 in the general population. No one can convince me that the major difference between the suicide rate in the average population and the police population is not directly attributable to that stress factor, a factor which is being studied more and more by psychiatrists and psychologists today.

Authority is readily available, I suggest, to support these statistics in United States law enforcement agencies. However, none is immediately available in respect of the RCMP, save those which might have emerged in the study commissioned by the force which, if not completed, should be completed shortly.

I suggest to hon. members that the argument here is that if the psychological "stress disutility" can be substantiated, and it would certainly appear to be substantiated, this creates the strongest possible argument for separating the force from the public service pension plans, thus entitling members of the force to more generous treatment in respect of their retirement benefits.

From information available it would appear that the RCMP is the only police force that uses the last six years averaged salary for pension computation. No other police force in the police universe uses that formula. Indeed, the RCMP itself did not use it in the past. Most use the three year formula, and some are based on the last year of earnings.

I submit that the force is a unique organization. As a unique organization the force should not be equated with the public service in so far as their pension schemes are concerned, but rather equated with the police universe. Under the Pension Contribution Act an officer's pension is based on his last day of service. In other words, the pension is calculated on whatever his annual salary might be on the last day that he serves. This is a unique pension plan for a unique organization. It seems most persuasive that on the merits in maintaining this type of pension program, based on the last day's salary, then the force would be truly unique and would attract the best possible candidates because of the salary range and the pension benefits.

• (2100)

No one can convince me that the calibre of candidates being attracted to the force today, while still high, is as high as it was 20 years ago. Let us compare a member of the force with the private sector. Through initiative and entrepreneurial ability, an individual in the private sector usually amasses considerable wealth over his business career. Most members in the force are unable to accumulate wealth because of transfer, career cycles and so on which take them to every part of Canada in the performance of their duties. If it is truly the desire of the Canadian population to maintain a unique police organization like the force, then recognition should be enshrined in the salary benefits and pension package so that after a long and trying career members can live in dignity and independence, and so that widows and dependants need not worry in this regard. Of course, they will worry anyway if the breadwinner of the family meets with a fate which all police members face every day.

As for superannuation deductions, members of the force would likely welcome contributing more over their careers if it meant a better pension, in the same way in which the bill provides for an increased contribution by air traffic controllers on operational or tower duty. Conversely, a member can burn out by the time he or she achieves 20 years' service, in which case it would be beneficial to both the member and the force that he be allowed to leave at a reduced scale, as is now in effect for NCOs, but without penalty. I certainly saw this burned out effect in spades when I went around to the penitentiaries of this country and observed prison guards, and the same argument can be made with great force for those who serve in Canada's penitentiary system.

Another invidious provision of pension legislation as it is now applicable to the force is the 35 year lock-in clause which is applicable to officers. This lock-in clause does not sit well with commissioned officers in the force when other ranks within it have the option of leaving the force after 20 years' service, on a graduated scale. Indeed, many NCOs simply will not take a commission because of that lock-in clause, particularly those who are close to their 20 years. A strong argument, therefore, might be made that this should be changed to include all ranks, with the proviso that a commissioned officer must give six months' notice prior to superannuation.

I would also mention here that the Marin royal commission recommended that the lock-in clause in the pension legislation for the force be removed. I would like to quote from the Marin report commencing at page 169, which reads:

> First, the criterion for pension benefits and other entitlements should be the same for officers and other ranks. Second, the Royal Canadian Mounted Police may find it beneficial to make representation to the Solicitor General and the Treasury Board to adopt a policy that some other police forces have instituted with respect to flexible pension schemes allowing full pension for all ranks after 25 years with the option to remain in the force for a maximum of 35 years.

The Royal Canadian Mounted Police Superannuation Act is at best a very complicated piece of legislation. It is most difficult to read with any degree of comprehension, and in several sections there are references made to, "a member, a regular member, a contributor, an officer," and I could go on. References are made to "on duty" and certain sections are co-ordinated with sections of the Income Tax Act for purposes of the Pension Act. One might interpret the act in its present form as saying that an officer who has completed 20 years' service, but less than 35, and dies from natural causes, leaves his wife half of what he would have been entitled to under the act, that is, a return of contributions, deferred annuity or an annual amount. An officer who dies with more than ten years' service but less than 20 years' service could only be entitled to a return of contributions. In other words, the widow would be absolutely destitute.

I hope that I have succeeded in pointing out some of the discrepancies which exist with respect to the treatment of members of the Royal Canadian Mounted Police in so far as their pensions are concerned. I could go on and point out great discrepancies in their salary rates which are even more glaring than the serious shortcomings which exist in their pension legislation. But if we are to attract a high calibre of recruit and maintain a high calibre of member within the force, something must be done if we are to arrest the rate of attrition which, as I said, exceeded over 700 members leaving last year. Many of these members left because of the stress factors or because they became acquainted with the glaring discrepancies, some of which I pointed out today.

There must be some meaningful and constructive changes in the pension legislation of the RCMP. I would hope with respect to its relevancy to the treatment which is accorded to the air traffic controllers on operation and tower duty, that some of the amendments which I have attempted to describe, might well find their way into the bill when it goes to committee, so as to provide for these shortcomings.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I am glad to participate in this debate because it is a subject that concerns and puzzles me very much. Bill C-12 was given first reading on October 26, 1978. It followed up a statement made by the President of the Treasury Board on March 9, 1978 in which he announced that the government intended to change certain aspects of the public service superannuation plan, especially as regards the indexing of benefits on the fluctuations in the cost of living.

To me, Bill C-12 is one of the most complicated pieces of legislation I ever had to study. It is intimidating because of its technical character and its mathematical jargon. For a layman like me, and many others in the House, actuarial questions are not the easiest to understand. This bill, Mr. Speaker, calls for an intellectual process which may leave us with a feeling of perplexity and confusion.

• (2110)

So I do not mean to deal with the actuarial aspect of Bill C-12. I leave that to the expert members who spoke before me or will probably be speaking after me. I would rather deal with relatively more simple objectives. In other words, Mr. Speaker, the main objectives of the bill are, first, to implement the amendments relating to the indexing of the pensions of retired civil servants; second, to implement the agreement reached by the government in 1976 with the Canadian Air Traffic Controllers Association and, third, to amend the present arrangements for amortizing actuarial liabilities and to deal with certain other questions of a technical nature. So I will be dealing with the first objective, Mr. Speaker, namely the amendments relating to the indexing of pensions of retired civil servants. Mr. Speaker, I do not hesitate at all to state my position. I am of those who believe that it is socially just and fair for an indexing formula to apply to pensions. I am glad the public sector should lead the way and I am confident the private sector, which has been doing it in certain cases, will follow suit in a few years.

Indexing means the pension is geared to the cost of living as it goes up. That means more money for the pensioner but not necessarily an increase in his purchasing power. That means some 100,000 civil servants now receiving a pension—and that includes all pensions, whether disability pensions, retired pensions, and armed forces pensions—that means those people with a purchasing power which is being maintained can buy the same goods, not more, they can keep a standard of living based on a pension they paid for with their work, with their lives.

Let us examine closely what Bill C-12 proposes to do with respect to the indexing of pensions. The most important under its principle proposes to amend the agreements providing for the indexing of civil servants' pensions to the increase in the consumer price index. Bill C-12 does away with the automatic provisions now in effect. It also abolishes the need to make automatic adjustments based on the consumer price index as has been done since 1971. So it comes from a commitment made in 1971 by the federal govrnment that pensions of public service employees will be automatically indexed to the cost of living. It proposes changes which I believe will be fair and equitable. Those changes might put an end to a controversy that has been going on now for over three years. That controversy, of course, is about the financial capacity of the pension fund to finance the outlays required to pay for both the pensions of retired civil servants and indexing—two things, pensions and indexing. Nurtured by a group called the National Citizens' Coalition the controversy continues, and you can be sure, Mr. Speaker, that it is going to be with us during the next election campaign.

On the one hand, the argument has been that there is enough money to pay the pensions. This is the position of the Public Service Alliance and certain other experts or groups, and up to a point I agree with it. On the other hand, the Citizens' Coalition Movement says the opposite. Those who say that there is enough money in the fund to pay indexation as concerns the capacity of existing funds to finance the pension benefits, also state that until now indexation of pensions has cost nothing to the taxpayers. They argue that the funds paid out as benefits in the last 50 years do not amount to the sum contributed by the employees. This is quite true.

For its part, the coalition states that this is not an accurate way to examine the financing of pension funds. According to the coalition, pensions must be fully financed by the fund, which means that a pension plan must always have enough money to pay all eligible pensions as well as the future pensions of all employees. The coalition argues that in this way, if the pension plan were abolished or if the employer ceased to exist, which is very unlikely, the pension plan would have enough funds to face its present and future commitments.

The situation was explained during this debate by certain hon. members, and I am thinking especially of the hon. member for Ottawa West (Mr. Francis), an expert in actuarial matters, who made an interesting speech and gave, in my opinion, a very understandable explanation. During this debate, he explained the situation quite clearly and precisely. In any case, Mr. Speaker, this man knows what he is talking about as he is a well-known economist. I salute him. An economist is not an actuary; there is a difference. Mr. Speaker, the hon. member spoke about people whom he knows, and as I was saying, he explained that the basic pension benefits are

totally financed on a full capitalization basis. This is a fact. It means that if present commitments are met by the contribution of employees, the amounts required to meet future commitments must come from the government, who is the employer in this case, as well as from interest benefits.

Once again, Mr. Speaker, I believe it was explained quite well during this debate that the funds were invested at a weighted interest rate based on the borrowings of the federal government and that the funds were earning enough money to make all the necessary payments. Contributions and interest benefits cover the costs. No financing by the Canadian taxpayers is required at this time and future commitments will be met by the government, which is now proposing a new formula. This formula constitutes the main thrust of Bill C-12. The government is proposing a formula according to which, for a given period, the indexation rate of public service pensions will be announced in October for the next three years.

The minister told us a few weeks ago that if he had announced this rate in October 1978, he would have set a ceiling of $7,000 under which the pensions would have been fully indexed, even if this meant that the difference between the amount of the pension and this ceiling of $7,000, would have been indexed at a reduced or lower rate.

Mr. Speaker, I asked today exactly what is the average because we often hear about it. People say that retired public servants have large pensions, and it has already been suggested to me that this was not quite accurate. I therefore wanted to know the average pension paid to retired public servants and their survivors. The average disability pension amounts to $4,250 a year. Far from being a fortune, this is below the poverty line. Those who receive a pension based strictly on the retirement element, that is former public service employees, receive on the average $5,152, which is a bit higher. As I said earlier, 100,000 former public servants now receive a pension of some kind from the federal government. Yet 85 per cent of them receive a pension of $7,000 or less, or 85 per cent of all former public servants.

We have often heard about those who receive large pensions of $20,000 or more. Mr. Speaker, there are at best 100 people in Canada who receive a pension of $20,000 or more from the federal government. It would therefore be false to suggest that these pensions are exorbitant, that they will push the government into bankruptcy and that, because of this, we shall have to pay exorbitant taxes and premiums. I believe that all these figures confirm what many of us already know, which is that on the whole, public service pensions do not bring instantaneous wealth and are on the contrary quite modest and reasonable.

Mr. Speaker, I spoke earlier about two positions which are based on two completely different matters. There are those who maintain that the contributions paid to this date covered all payments already made under the federal government's pension programs. That is true. The Coalition, on the other hand, maintains that the employees' contributions do not cover future benefits. So there are people who say: we have the money needed to pay for it now, and others who say: you do not have the money that will be needed to pay for it in the years to come. And that is also true. In other words, there are those who are referring to the financing capability and others to the actuarial financing. As I have said, Mr. Speaker, I do not intend to deal with the actuarial aspect because I am not familiar with it, and I am confident that in committee we will be able to consider all the related terms and conditions.

Rather, I would like to come back, Mr. Speaker, on the proposed objectives of Bill C-12. It makes the indexing of pensions subject to purchasing power, in other words, the question will not be the cost of indexation but rather the rate of indexation. As I have said, this rate will be set every three years by the minister, who will announce it at a given time, this year, in October 1979.

I was recently drawing my colleagues attention to the fact that there are people in the media who are interpreting Bill C-12 as a measure to put an end to pension indexing. I do not know how they came to such a conclusion, but that is certainly not the purpose of Bill C-12, and I would like to repudiate these comments by stating that we do not intend, with this bill, to abolish pension indexing.

● (2120)

We are asked with Bill C-12 to establish a system that would be much more easily controlled, according to experts, and that will be of real advantage to pensioners because they will know exactly where they stand for at least three years, this is ensured by provisions covering the minimum applicable and the indexing rate.

In conclusion, I would like to refer to the basic reasons for indexing pensions. The debate on indexing revolves around risks. Of course indexing involves risks, and the only point that can be made is that a society cannot agree on how to spread those risks. On the other hand, once an understanding is reached on how to spread the risk, there sometimes are implications making implementation difficult.

I believe we are all agreed on the need to protect our pensioners against their being robbed by inflation. Inflation steals assets away from people with fixed revenues, including pensioners. No active and industrial society such as ours is exempt from a degree of inflation. Inflation equally harms various groups of pensioners and increases the gap in revenue between Canadians in the work force and retired Canadians. In the newspaper *Le Droit*, editorialist Pierre Bergeron describes inflation as follows:

—that refuge for small-income people against the predations of inflation . . .

This is a very clear and precise explanation. Any deserving society must protect the small, and if pensioners who retired some years ago are not afforded by us who are still in the

labour force and by governments the kind of protection that will maintain their purchasing power, they will sink into poverty while everything around them will point to how unjust this society of ours can be.

I would like to give the case of a 75-year old pensioner who retired 10 years ago, as against that of the 65-year old Canadian who leaves a similar job today. If both are getting an unindexed pension, the former will get much less than the latter by an amount that will probably be commensurate with the inflation rate over the last 10 years. Both would receive the same old age security pension; the Canada Pension Plan for the individual aged 65 would be better since it would take into account the salary increase during that period. In other words, the non-indexed pension of a retired person who is 75 and performed comparable work will perhaps be 50 to 60 per cent of that received by a younger man of 65. Therefore the first principle is that indexing protects the pension by adjusting the income to the cost of living as it increases. It does not allow pensioners to purchase more, Mr. Speaker, but merely to purchase as much.

The governments have often been criticized because they ran ahead of the private sector when they fully indexed the pensions and, according to those same critics, the private sector does not have the same resources as the public sector. During a debate held in the House not long ago the Minister of National Health and Welfare (Miss Bégin) indicated that 60 per cent of Canadian pensioners were financially dependent on the old age security program.

It means that the public sector as a whole has to assume through its taxes the financial burden of its workers. Of course the private sector makes a significant contribution to replenish public funds so those pensions can be paid. However, if the same private sector says that it is unable to pay pensions comparable to the indexed pensions in the public sector, it should not criticize the fair distribution of common assets. It is not the pension costs but the inflationary risks which concern the private sector.

It is possible to make all sorts of assumptions, and I admit the complexity of the problem. But if the employee puts so much emphasis on the indexation of his pension, he must be willing to assume the costs. As a matter of fact, the purpose of collective bargaining is precisely to deal with such issues. If the employer can demonstrate that his costs are too high because of indexation, and if the employee demands indexation, the salaries could reflect this desire, either through a reduction or duly negotiated concessions between the employer and his employees. As to the risks involved, no actuary or economist can predict the future, and it is clear that a private firm is faced with a dilemma when it has to decide its actuarial projections. In conclusion, Mr. Speaker, I should like to say that solutions to this problem do exist. Private employers can and should do better. The related negotiations will be difficult and complicated.

[Mr. Gauthier (Ottawa-Vanier).]

We do not have a magic formula to solve that problem. What we need is a will to find a mechanism that will protect both the employer and the employee against those risks of inflation while at the same time maintaining the basic principle of protecting those who cannot protect themselves against inflation. Bill C-12 provides for a review every three years of the rate of indexing based on the capacity of the fund to pay. That is an approach which seems right in a difficult economic period.

Mr. Speaker, I am anxious to see this bill in committee because we will have an opportunity to question the minister on the amendments he proposes to update this bill which was read for the first time in October, I believe, last year. The minister will bring in technical amendments to correct certain dates in the bill, and I will be interested, like all my colleagues, to hear the witnesses who will be appearing on this bill, particularly the unions representing the civil servants who provided us with a lot of documentation on this question. I examined attentively the arguments put forward and I think certain clauses of the bill will be amended if we can be convinced by the witnesses of the advantages that would represent.

I for one believe that Bill C-12 is an acceptable compromise in a difficult economic period. I am prepared to improve it with my colleagues in the House when it is considered in committee and to listen attentively to all witnesses. In concluding, Mr. Speaker, I would like to thank the House for its attention.

● (2130)

[*English*]

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I am speaking on Bill C-12 tonight because of the implication it has for the Canadian forces long service pensioners. The bill makes some remarks on the forces' pensions. It is absolutely beyond me why the government would bring in a bill that deals with two major pension funds and try to make them fit into the same box with the same regulations.

The life that is led by civil servants in their normal positions in Canada is not exactly the same as that led by service people. Nothing could have made the point more clear than what was said by the former president of the treasury board, the super-minister, the nanny for the Minister of Industry, Trade and Commerce (Mr. Horner) and the Minister of Finance (Mr. Chrétien) who need a guiding light of some sort.

When introducing this bill in the House, the minister stated he wished to have the 85 rule abolished in order to encourage serving people to continue until age 60 or 65 rather than leave their employment at age 55 to take advantage of the 85 rule. I imagine most members understand that means if you have 35 years of service, you can qualify for an indexed pension at age 55. Actually, you can do that at age 55 if you have 30 years' service. If the total of your service plus your age equals 85, you can start indexation at the present time. The former president

of the treasury board seems to think that is uneconomic, inefficient, and wants it stopped.

I was somewhat surprised that the minister brought in Bill C-12 which works a real disservice to the armed forces. The former president of the treasury board wanted senior civil servants to carry on until age 60 or 65. That is only reasonable because they have acquired a great deal of expertise and knowledge which could be of benefit to this country. But the Minister of National Defence (Mr. Danson) does not give the serviceman an opportunity to serve until age 60 or 65. He must leave at 55, and in many cases at a younger age. Junior officers must retire at age 47. Those in other ranks are required to leave as early as 40 or 45. At age 55, they were able to have indexation. That is no longer going to be the case. It is unfair. It discriminates against the service personnel vis-à-vis the civil servant. That kind of inequity should not be built into this bill. One has the option of serving beyond 55, and the other has not.

The part that seems to make it irrevocable is on page 18 of the bill, subclause (3), and I quote:

> There shall be credited to the Canadian Forces Supplementary Retirement Benefits Operating Account in each fiscal year an amount representing such portion of the interest on the balance to the credit of the Canadian Forces Superannuation Account as the Minister estimates is required to ensure that there are sufficient funds available in that Account to meet all payments of supplementary retirement benefits from that Account for the year.

I did not realize anybody could write a sentence that long and hope to have the ordinary person understand what he is talking about. It means that they will haye an indexation on a three-year basis. To enable them in their mythology to have sufficient funds to do that, the minister will determine that a portion of the interest on the balance will be credited to the Canadian Forces Supplementary Retirement Account as the minister estimates is required to ensure that there are sufficient funds available. He will determine how much he wants to spend. Then he says the percentage he has to credit to the superannuation supplement portion will have to be a certain percentage. I hardly know how to describe that kind of mathematics. It starts with the answer and works back to the problem. That is what he is doing.

That kind of attitude indicates that this bill serves two purposes, both partisan in nature. It is no secret there will soon be an election. I swear that this bill is designed to make those taxpayers not on pension think that the government is capping pensions and taking a hard line with pensioners, while at the same time saying to pensioners that it is really not hurting their pensions very much. The government is trying to satisfy both sides.

On February 8 the President of the Treasury Board (Mr. Buchanan) stated the figures planned to be used for the indexation for the next three years. I quote from page 3040 of *Hansard* for February 8 where he stated:

> There would be full indexation up to earnings of $7,000, and above that the figure proposed was 8 per cent in 1979, 7 per cent in 1980, and 6 per cent in 1981.
>
> MR. BAKER (GRENVILLE-CARLETON): Does that move back a year now?
>
> MR. BUCHANAN: Mr. Speaker, the hon. member asks if that now moves back a year. It moves back a year in the sense that the triennial period will be 1980, 1981 and 1982.

That simply means it was moved back one year. It gives the government the opportunity to say it is not cutting pensions this year. It had intended to, but was not able. For reasons totally mysterious to me, the government did not think it could get this bill through the House on time. It brought in a lot of rather foolish little bills which it found impossible to get through the House before Christmas. Thus it was able to postpone this bill for this amount of time.

● (2140)

The government is now saying the figure for 1980 will be 8 per cent, that it will be 7 per cent in 1981, and 6 per cent in 1982. But who believes the government any more? I suppose these figures bear some relation to its estimates of what inflation will be, but we recall that the Minister of Finance predicted that it would be 5 per cent, and the Prime Minister (Mr. Trudeau) when he brought in wage and price controls after promising not to do so, said that by 1979 the rate of inflation would be 4.5 per cent. Now they think in 1980 it will be down to 8 per cent. But does anybody believe that any more? I cannot really say they are trying to mislead anybody; they are just trying to cheer themselves up a little.

I should like to deal with the status of these two funds, the public service fund and the armed forces fund. To ascertain the exact situation one has to put questions down on the order paper—it is no use relying upon the government for information. We can be grateful to the hon. member for Winnipeg North Centre (Mr. Knowles) for putting down the questions he did on April 11, 1978—

Mr. Knowles (Winnipeg North Centre): Every year.

Mr. McKinnon: —and to the hon. member for Ottawa West (Mr. Francis), who obviously looked over the questions asked by the hon. member for Winnipeg North Centre, thought they looked pretty good, and more or less duplicated them on October 10, 1978. In any case, the answers are worth reading into the record.

I am speaking on this bill because the services pension fund is administered by the Department of National Defence, not by the people who pay the civil service pensions. The armed forces have paid into a pension fund for longer than I can remember, in the expectation of a reasonable pension when they retire. Many of them made no effort to accumulate savings of their own; upon retirement they lived, for the most part, upon their pensions. They were paying into a fund on a matching basis.

What happened was that 20 or 25 years ago the government decided there was no sense setting up a fund to look after this plan because the government needed the money. It decided to borrow the money from the pension funds of the civil servants and the armed forces. I can tell you that nobody asked any serviceman I know of whether he wanted these funds to be borrowed by the government and put into savings bonds or

anything else. In any case, the decision was made and the money was placed into what is called a mythical fund, though I suppose the government would prefer to refer to it as the armed forces pension account.

This is the question asked by the hon. member for Ottawa West:

What was the total amount at credit in the Canadian Forces Superannuation Account on March 31 in the following years: 1965, 1970, 1975, 1976, 1977 and 1978?

This can be found at page 7044 of *Hansard* for October 10, 1978. The answer shows that in 1970 the amount was $3,306 million; in 1975 it was $5,772 million; in 1976, $6,456 million; in 1977, $7,006 million, and in 1978, $7,538 million. So the account had more than $7.5 billion in it as at March 31 last. I did a small calculation and found that 7 per cent of $7 billion amounts to around $490 million a year.

Turning to page 7044 of *Hansard* we find the question:

What was the total interest earnings for the 12-month period preceding each date?

Those are the dates to which I have just referred. The answer to that question was as follows with respect to the year 1978, namely, $289,498,000.

Because it is difficult to ascertain the pension pay-out for 1978, I would prefer to quote 1977 figures, although the amount is somewhat smaller. In 1977 the interest, on the basis of the government's calculation, derived from the $7 billion in the fund at that time amounted to $265 million. Now, what does the government have to pay out by way of pensions? According to the answer to a later question placed on the order paper, the amount is as follows: in pensions, $189 million, which did not include supplementary retirement benefit because of indexing. Again in answer to a question on the order paper we find that the supplementary retirement benefit account paid out $1,050,000, and $50 million under the statutory vote. The total comes to $241 million.

The truth of the matter is that when we take the interest alone from the armed forces pension fund, on the basis of government calculations there should be a surplus of $24 million a year after paying pensions and indexation, to say nothing of the contributions which are still coming in, contributions which presumably the government is matching. Of course, as the hon. member for Winnipeg North Centre has pointed out, we do not see the government's money. On the other hand, the men make their contributions and the government takes them. Today, everyone is acting as though they had no right to their pensions, and this is what annoys them.

If the government had invested these funds, even in its own bonds, a totally self-sustaining pension fund would have been created. The interest available each year is more than enough to meet pension claims, including indexation. I am inclined to agree with the hon. member for Winnipeg North Centre that this fund is really just a scrap of paper representing the amount which would have been there if the government had not borrowed it all. The fact is that the government did borrow it. They owe it to the servicemen from whom they borrowed it. It is outrageous. The government is trying to pretend it is generous, that it is trying to benefit the servicemen instead of itself. Of course taxpayers are unhappy. If someone with a total lack of competence was looking after my money, I would be pretty unhappy too.

[Mr. McKinnon.]

● (2150)

In any event, it seems to me that this bill will not solve the problem. Canadian forces long service pensioners have given up on ever getting a fair, reasonable and business-like understanding with the government. The government is obviously just going to determine by itself how much it is willing to pay in pensions and in indexation each year. The government will work its calculations backward to determine how much of the pension fund it will assume. It actually belongs to retired civil servants or armed forces pensioners.

I think I will wind up on a low note tonight. A piece of distressing business took place in the last few weeks about which I think the House should be aware. An organization which calls itself the Canadian Forces Long Service Pensioners Association has been in operation for about five years. About five years ago it applied for a charter and received one from the Department of Consumer and Corporate Affairs, which is in charge of charters for small organizations like that.

The Canadian Forces Long Service Pensioners Association has grown rather remarkably, and wants to have some answers about their pensions, how they are being considered and what the rules are going to be.

They knew what the rules were when they signed up. The government changed the rules, not they. The Department of National Defence and, most notably, the minister, seemed to object to their calling themselves the Canadian Forces Long Service Pensioners Association. Something suddenly came up, and now letters are going out to the Canadian Forces Long Service Pensioners Association telling the association that it must stop calling itself the Canadian Forces Long Service Pensioners Association because, in the words of the Minister of National Defence as written in a letter, and I quote:

The Canadian Forces Long Service Pensioners Association was issued Letters Patent under that name on April 29, 1975 by the Department of Consumer and Corporate Affairs. At the time of the application for Letters Patent the Department of National Defence was not consulted by Consumer and Corporate Affairs on the use in the name of the words "Canadian Forces", but had this Department been consulted it would not have given its approval.

The use of the words "Canadian Forces" in a corporation or association title is objectionable on public grounds because it connotes that the corporation or association is sponsored or controlled by or is affiliated with the Government of Canada—

What a lot of nonsense! What is the government going to do next? Will it go after the Army and Navy Store to get it to change its name? Will it go after the boy scouts or the girl guides? I have never heard of anything so ridiculous. Why would the minister do this to servicemen, those to whom he is supposed to be loyal? He wants them not to be allowed to refer to the fact that each and every one of them served long and honourably in the Canadian forces. I think it is absolutely outrageous that he should now threaten them that if this is not done they will lose their charter. He is telling them that they

must change their name or they cannot have a charter to conduct the business of their association any longer.

I suppose they could do something simple which probably even this Liberal government could understand. I suppose they could change their name to the "Long Service Pensioners Association, Formerly the Canadian Forces Long Service Pensioners Association", but I think the members of the forces would say that this is so chicken that a person hates to talk about it. However, this has come up, and I think it would be wise, proper and appropriate if the government were to back off. If these pensioners are still willing to allow their names to be associated with this government, the government ought to be thankful for it, instead of vice versa.

The Canadian Forces Long Service Pensioners Association has been operating from its headquarters in London. I went there to speak with members of the association a few months ago and to see what their problems were. We had a very interesting meeting, and I suggested that they might be better off if they gave up trying to get the government to account for the $7.5 billion which is in the fund and which should belong to the pensioners instead of the government. Perhaps the best thing to do would be to start a funded fund for their pensions. They would have to face the loss of what is in their pension fund, $7.5 billion, which I do not think the government will ever acknowledge.

I do not think the government will give those pensioners any more than it absolutely has to give. I do not want to make invidious comparisons and compare anyone to this government, but the members of the association were willing to go to the extent of forgetting all about this $7.5 billion if they could have a government guarantee that they could continue under the present system for a given period of time, say ten or 15 years, and have the extra interest which is not needed to pay into their fund to keep it even. Let us remember that the interest itself pays in $24 million a year more than is needed for the pensions and the indexation.

However, we must also remember the amount the serviceman pays in and the government pays in. If that could be done for ten or 15 years and if there could be a funded fund, which is the honourable way, the association would be quite happy to forget about the $7.5 billion already put into the fund on their account, which the government will not recognize. I think that might be the way out. The serviceman certainly does not want anyone to think that he is beholden to the taxpayer or to the government at this time for something to which he is not entitled. The impression which is being created by the government across this country is that servicemen are lamprey eels on the big fish, the government payroll. This is not so. They put in sufficient money to pay their pensions and their indexation, and they are entitled to a better and fairer deal than they have been getting. With that I will conclude, Mr. Speaker.

[*Translation*]

Mr. Fernand E. Leblanc (Laurier): Mr. Speaker, the hon. member who rose before me spoke mainly, and I understand that since he is the official critic on national defence for the Progressive Conservative party, of the personnel in the armed forces, present, past and future. I appreciate his interest in those classes of individuals who are also very important to us. But, if you examine the title of the bill, you will see that it applies to a much wider variety of people than the personnel in the armed forces. The title of the bill reads as follows:

the Supplementary Retirement Benefits Act . . .

which applies to all those who fall under the bill.

. . . the Public Service Superannuation Act . . .

which includes perhaps 200,000 or 300,000 employees.

. . . the Canadian Forces Superannuation Act . . .

which the hon. member has just explained.

. . . the Royal Canadian Mounted Police Superannuation Act . . .

which includes a good many individuals.

. . . and the Members of Parliament Retiring Allowances Act.

Hon. members here, of course, are directly concerned by this bill since it also affects the retiring allowances of hon. members who for one reason or another retire from politics or who will be defeated in the next election which will certainly take place in 1979. I think I can assure the population that an election will be held in 1979.

So when we examine the purpose of the bill we find that it is rather simple but it does have technical aspects where we need consultants and most of all actuaries to help us figure out what is good and valid in this bill. And it seems, according to the speeches I have heard, that opposition parties agree to proceed as soon as possible with the consideration of the bill in committee. Of course we will have to call on experts to enlighten us further and advise us in the consideration of a bill which has many technical aspects.

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

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CENTRAL MORTGAGE AND HOUSING CORPORATION—COMMUNITY SERVICES PROGRAM—SIGNING OF AGREEMENT WITH ONTARIO

Mr. Maurice Foster (Algoma): Mr. Speaker, a few days ago I raised with the minister responsible for CMHC, the Minister of State for Urban Affairs (Mr. Ouellet), the question of the community services program. This program was announced last spring and was supposed to come into effect in 1978. But

there have been delays, and this has had an effect on the municipalities because the community service program will provide about $400 million for important and needed community services such as sewer and water facilities and other municipal infrastructure programs. Apparently the delay has taken place because the minister has not been able to negotiate a suitable arrangement with the Ontario government for the provision of this service to the municipalities.

The program, besides providing sewer and water facilities and funding for the services, will provide assistance for neighbourhood improvement, for cultural and recreational facilities, for insulation programs, for community buildings, and for facilities to convert waste into energy. The funding will be in the form of grants rather than loans. These grants can be used for debt servicing.

In my constituency, in the Algoma district, for instance, municipalities such as Sault Ste. Marie are looking forward to building large sewage treatment facilities and they need to know what kind of funding will be available under this program. Communities like Elliot Lake with new towns of 20,000 people need to know what kind of funding will be available under this program. Another town in my constituency in the Manitowaning district, the town of Little Current, applied last year for a municipal infrastructure grant. It was not able to have it funded, but it now has the approval from the provincial government to go ahead with the program. They need to know what kind of financial assistance will be available for the community service program in 1979, because they want to go to tender.

The federal government sets down the criteria for the program, and then the actual approval needs to come from the provincial government. But the question I want to put to the minister, and which I would like to have answered on behalf of these municipalities, is how soon final agreement will be reached with the province of Ontario on the community service program so that money can be made available to the municipalities to get on with these important and needed community facilities and services. I think that the time for action is now, and there should be no further delay because it is not only the municipalities in my constituency but many others across the province of Ontario that are waiting to know how soon this program will be implemented in Ontario and funds made available to the municipalities to proceed with these important community services and capital work projects in this fiscal year.

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of Treasury Board): Mr. Speaker, I wish to thank the hon. member for Algoma (Mr. Foster) for bringing this subject to the attention of the House and once again showing the interest which his constituents have in the many benefits that can come to his riding from the program announced by the Minister of Public Works and Minister of State for Urban Affairs (Mr. Ouellet).

When the minister replied to the question put by the hon. member he said that he was meeting with the minister and officials of the province of Ontario and that this meeting would be attended also by officials of CMHC. The results of that meeting, and of meetings earlier in the day between officials of the province of Ontario and CMHC, gave both ministers reason to believe that the negotiations which have been ongoing for several months would be brought to a successful conclusion with the signing of the required federal-provincial agreement very early in the new year.

● (2205)

There would seem to be every reason to expect that the benefits of this new program, which involve extensive grants of federal funds to municipalities, will be available to Ontario commencing early this year. A few weeks are required to allow the provincial minister to complete the necessary process of obtaining provincial authority to sign the agreement on behalf of the province of Ontario.

This is an appropriate time for me to remind the hon. member that this new program has been introduced to provide provinces and municipalities with a maximum degree of flexibility in the utilization of federal funds for a broad range of community projects and services. It will replace the assistance previously available through the Neighbourhood Improvement Program, the Municipal Incentives Grants Program, and the Municipal Infrastructure Program, all three of which had proved successful while in effect but were perceived in some quarters to be unnecessarily narrow and restrictive in application.

While there are criteria applicable to the acceptability of projects under this new community services program, they are sufficiently broad to offer the opportunity of participation to a larger number of municipalities to sponsor a broader variety of projects, at the same time including the types of projects eligible under the former programs. Within the terms of the criteria the provinces and municipalities have the responsibility for setting general priorities and selecting specific projects to be assisted out of funds budgeted each year. This represents no change from the manner in which the Neighbourhood Improvement and Municipal Infrastructure Programs were administered previously.

The negotiations with all provinces on this program are moving into the final stages, and the Minister of Public Works and Minister of State for Urban Affairs is expecting to have agreements signed with all provinces early this year.

GOVERNMENT EXPENDITURES—POLICY RESPECTING EX GRATIA PAYMENTS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, on the opening day of this part of the session I asked the President of the Treasury Board (Mr. Buchanan) certain questions relating to the government's policy on ex gratia payments. I specifically mentioned four instances where it seemed to me, based on the definition of what is normally considered the basis for ex gratia payments, having reference to the government authorities manual, and other authorities, clarification was needed.

I hope that tonight, sir, the minister will personally, or through his spokesman or parliamentary secretary, take the opportunity to provide answers not only to the questions I asked on January 23, but also in respect of additional information I requested in a letter addressed to the minister last Wednesday. Unfortunately I have had no response to that either.

The definitions of ex gratia payments, either in the government authorities manual, or the statutes setting out the basis for such payments, appear to have one major criterion, and that is that it is one for which no liability is recognized and it is made as an act of benevolence in the public interest. Implicit in this, sir, I take it to be that there will be no ex gratia payments where there are statutes in existence under which a payment can be made in the regular fashion, that is to say, one would not settle by an ex gratia payment a matter involving land, because that could be paid under an expropriation act. The authorities manual itself says:

> Where there is no statute providing for payment of compensation for damages, authority of the Executive is required for settlement of claims against the Crown without resorting to litigation procedures. The Treasury Board has directed that a statute which simply authorizes a Crown agency to determine the manner in which money made available to the agency is to be spent is not to be interpreted as authorizing payment of claims.

Perhaps I might outline my concerns very briefly, Mr. Speaker, with reference to four of these payments, the ones about which I previously asked the minister. For example, let us start here in Ottawa with the item listed in this year's public accounts as compensation for guard services at L'Esplanade Laurier Building, Ottawa, charged to Vote 10, Olympia and York Developments. Why was this payment authorized and by whom were negotiations initiated? By definition, obviously there could have been no legal liability, or it would not have been an ex gratia payment. Which officers of this company came forward with the claim? What did the property management personnel for the department and Mrs. Tissot have to say about all of this? Incidentally, were payments of this sort made in other cases, say, for example, at Place du Portage when she was there?

● (2210)

Could I have an answer from the government representative with respect to the compensation for the expropriation of land at Mirabel which amounted to $2,391,145? Were all proper, legal and statutory steps followed under the Expropriation Act? How could one go beyond or outside the statutes so specifically tailored for this remedy and stay within the bounds of ex gratia payments? Was the fine academic mind of the Minister of Transport (Mr. Lang) brought in to engineer this situation? Did he specifically authorize it? Did he have the authority to authorize it? What does the spokesman for the government say about this?

The interpretation or definition section of the Expropriation Act is very broad. Land includes "buildings and structures and other things in nature of fixtures, mines and minerals whether precious or base, above or below the surface." It goes on to say that interest in land in relation to land in Quebec includes "the interest of a lessee therein." The government apparently really had to stretch on this one. I would like to have more information about this item.

The amounts themselves are extraordinary. Sandwiched in between the two I have just mentioned is an incident which is more conventional. It appears that Kenneth MacEwan was paid $600 for the loss of tools. That is more like an ex gratia payment. But here is another. Payment was made to MacGregor Travel Company for legal, accounting, transcript and other costs incurred and arising out of an inquiry and report upon the financial administration of Air Canada which amounted to $39,374. I recall very well the circumstances and the part played by this company. They received a $100,000 payment from Air Canada, which was one of the major items that triggered the inquiry into Air Canada by Mr. Justice Estey.

It is very strange, prima facie, I would say, to have an ex gratia payment under these circumstances. I would think that the budget of the original commission of inquiry would have been a more appropriate vehicle, but if no legal obligation existed to pay this company and if no other way could be found, let us hear about why this company should get such a gift and, incidentally, whatever happened to the $100,000 they were paid by Air Canada? Did our national air carrier ever get that money back?

It is interesting to compare that sort of ex gratia payment's concept with the case of John Danch, an RCMP officer who contested a case in the federal court of appeal successfully about an unjust dismissal. The Solicitor General (Mr. Blais) has the discretion to pay his legal costs, which are far less than $40,000. He has not received a penny, even though the discretion is there.

I see that I am running out of time, but I would like to mention the fourth example. It involved $500,000 which was paid out, again on an ex gratia basis, to Ste Marie Air Services. Again, I quote from the public accounts:

> To compensate for loss of earnings due to operating restrictions resulting from the opening of Mirabel airport.

There are no other comparable payments to other air services, and that is a lot of money for a little company incorporated in 1964 and turned over to the children of the incorporating individual and into which a professional land surveyor, Mr. Verdier, in 1976 bought a substantial interest. This half a million dollars to compensate for loss of earnings is almost five times the assessed value of the land and buildings of Ste Marie Air Services. This air strip is not even in the "Tersa" of Mirabel, and there is some question as to whether it should ever have been licensed in the first place because of the elevation of its runways. What is the story behind this payment? I have information that Mirabel was not the reason at all for the suspended operations of this little air service.

I would like to hear further details about these particular ex gratia payments which stand out in such a dramatic way, not only because of their amounts, but because of the definition and the circumstances.

• (2215)

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am not in a position to give the hon. member answers to the specific subjects he has brought up, but I will attempt to explain the government's policy in regard to these ex gratia payments.

I would like to point out that by "ex gratia payment" I mean a payment which is an act of benevolence in the public interest, is wholly gratuitous, and is approved as an act of grace in an area of government operations not already regulated by legislation. The Crown, in making such payments, does not therefore admit liability for them and as a matter of law is not liable for them, indeed the Crown makes such payments only where it is clear that there is no legal liability to do so.

The making of these payments is regarded as being an exercise of benevolence or a prerogative of the Crown. The authority of the governor in council, acting as the Queen's representative in Canada, is therefore necessary for each payment unless the governor in council has made other arrangements. One such other arrangement was made in 1974 in the form of the Ex Gratia Payments Order, 1974. Under that order in council deputy heads are authorized to make ex gratia payments not exceeding $1,000, mainly to employees, in respect of damage to or loss of real or personal property suffered by an employee in the course of his duties.

All such payments in excess of $1,000 and all other kinds of ex gratia payments are authorized individually by the governor in council on the recommendation of the Treasury Board following the consideration of a submission from the minister of the department concerned.

In most cases ex gratia payments are made for the purpose of compensating someone in part for a loss or harm already suffered but for which the Crown is not legally liable.

The Treasury Board, in reviewing recommendations to the governor in council for the making of ex gratia payments, looks at each case on its merits, taking into account such factors as the need for the equitable treatment by the government of groups or individuals, the public interest, fairness, the receipt by the Crown of services or claims against the Crown for which the Crown is not legally liable to pay, and the degree of hardship that would be imposed upon individuals and groups by failure to act ex gratia.

Finally, Mr. Speaker, I would like to remind hon. members that all ex gratia payments are listed annually in the public accounts of Canada.

LABOUR CONDITIONS—REQUEST FOR DETAILS OF WAGE SETTLEMENTS

Mr. David Orkilow (Winnipeg North): Mr. Speaker, in the third week of January the Prime Minister (Mr. Trudeau) warned against too large wage increases which he said could trigger double digit inflation. On January 26 the Minister of Finance (Mr. Chrétien) warned business leaders that it would be crazy to go back to the kind of wage settlements that prevailed before the wage control program in 1975. The chairman of the Board of Economic Development added his two cents worth. He told businessmen that non-government workers were getting settlements about 1.5 per cent above those of workers in the public sector.

What is the government worried about, Mr. Speaker? Is there in fact an explosion in wage settlements? Is there in fact a danger that wage settlements are of such a size that they could trigger double digit inflation? The facts show exactly the opposite. Wage and salary increases are averaging just 6.4 per cent, 2 per cent less than the increase in the cost of living in the last year, so that workers in 1979, if they follow the advice of the Prime Minister and other members of cabinet, are going to be asked by the government to accept a reduction in their real standard of living.

Let us compare the attitude of the government with regard to wages to its attitude with respect to an increase in profits of Canadian corporations. On February 7 the *Globe and Mail* reported that after tax operating profits of 110 corporations grew at a faster pace in 1978 than in any year since 1973. Profits of the 110 companies surveyed rose by 25.6 per cent in 1978, which is more than double the 12.2 per cent recorded in 1977.

It is interesting to look at these corporations by classification. They show that bank profits increased by 33.2 per cent, in the base metals industry they increased by 44.1 per cent, in the paper and forest industry profits they increased by 86.2 per cent, and merchandising profits increased by 68 per cent.

• (2220)

These facts were brought to the attention of the Prime Minister, and the substantial increases in profits were compared with the Prime Minister's strictures placed upon workers. What did the Prime Minister say about these profits? He said, "We are glad there are profits." That is the attitude of the government. Increased profits regardless of their size are fine, but wages must not go up more than 6.4 per cent.

What has happened? The cost of living increased by 8.4 per cent last year. Beef prices are going up by 18 cents per pound. Recently the Anti-Inflation Board reported that food prices went up by 19 per cent in 1978. The government was urged to take action because price increases are substantially higher than necessary. In the case of food, the increase is much higher than the increase obtained by the farmer. The middleman, the processors and the retailers, are skimming off exorbitant increased profits as a result of the increases they have been allowed to adopt.

When that situation was brought to the attention of the Minister of Consumer and Corporate Affairs (Mr. Allmand) not once, not twice, but many times, all the minister would say is that the government is looking into reports of profiteering by food companies. We have had experience with studies done by the government. We know that they take two or three years and lead to no action. No one on behalf of the government, not the Prime Minister, not the Minister of Finance, nor the Minister of Consumer and Corporate Affairs, who are the ones calling for restraint on wage increases and are pointing to the

direction they want the private sector to take by pointing out the tough line they are taking with public servants, will lift a finger to restrain the business community.

Need I remind hon. members that in a similar situation, United States presidents Kennedy and Johnson called in representatives of the steel and aluminum industries and made it clear to them that they would not accept the exorbitant price increases which they were proposing to implement at that time? Will the Prime Minister do that? No, of course not. He is too busy lecturing workers on the need for them to show restraint. It seems to us that if the government is concerned about inflation, which it talks about incessantly, and if it wants to keep prices from escalating too much, and if the government wants to dampen inflationary forces, then it ought to be calling on all sectors of the community to practise the same restraint.

It seems unfair for the Prime Minister and his cabinet ministers to be giving the lectures they have been giving to the workers of this country. These people have not been receiving exorbitant wage increases, partly because they have been trying to be good citizens, and partly because the economy has not permitted them to be as demanding as they can be, have been, and should be when the economy is booming.

I would hope that the government would apply the same kind of thinking to prices and profits as is applied to the legitimate requirements of the working people of this country. Until it does that, the government is not dealing with Canadians in a just and equitable manner.

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I am pleased to reply to the hon. member for Winnipeg North (Mr. Orlikow). It is correct that wages increased at a lower rate than the consumer price index in 1978. Therefore real wages declined. Much of the increase in prices resulted from higher food prices and the lower value of the Canadian dollar. It should be recalled, however, that real wages were increasing in preceding years and, even with the decline of 1978, were some 6 per cent above their 1974 level.

● (2225)

With some moderation in food price increases in 1979, workers should realize a further gain in real terms. Increases under new wage settlements decelerated considerably over the period in which real wages were increasing and this deceleration continued into 1978. The historical record demonstrates that real gains are possible with moderation in cost and price increases.

It is not unreasonable that some workers might attempt to recoup some of the loss in real wages of the past year. However, it is desirable that this adjustment should be gradual, and that wages would not rise substantially and erode the gains we have made in our international competitive position. This applies not only to wages but to all costs, including profits.

Increases in average weekly earnings in the industrial composite decelerated from a high of 14 per cent in 1975 to over 12 per cent in 1976, and to 9½ per cent in 1977. Complete data for 1978 are not yet available, but January-November figures suggest an average 1978 increase of about 6 per cent.

The consumer price index increased almost 11 per cent in 1975, 7.5 per cent in 1976, 8 per cent in 1977, and 9 per cent in 1978. Real wages increased, therefore, by a little over 3 per cent in 1975, a little over 4 per cent in 1976, 1.5 per cent in 1977, and in 1978 declined by about 2¾ per cent.

Wage settlements in major collective agreements decelerated from 17 per cent in 1975 to 10 per cent in 1976 and 7.8 per cent in 1977. For the year 1978 as a whole, the average increase should be about 6¾ per cent. The first year increases in agreements were not substantially higher than increases for subsequent years in agreements. In the first quarter of 1978 they were 7.1 per cent, in the second quarter 6.6 per cent, and in the third quarter 7 per cent.

It should be emphasized that wage settlement data are for agreements signed in a given period and cover a limited proportion of all agreements in existence, and an even lower proportion of total wages for all employees.

Mr. Deputy Speaker: Order, please. I regret to interrupt the parliamentary secretary, but his three minutes have expired.

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

HOUSE OF COMMONS

Tuesday, February 13, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

FREEDOM OF INFORMATION

CALL FOR FREEDOM OF INFORMATION LEGISLATION—MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to bring forward a motion under the circumstances set out in Standing Order 43, the facts of which will appear.

Given the fact that three legislatures operating under the Westminster system have passed or are dealing with freedom of information laws, that the Council of Europe, representing some 20 European countries, is giving favourable consideration to similar proposals, and that the Canadian government stated nearly three years ago that it was giving priority to drafting legislation, and noting with concern the reluctance of the government to produce facts in response to requests during question period, or at all, I move:

That this House requests the government to forthwith table a bill to provide for open government and bring to an end the secret society which it has developed.

Mr. Speaker: Such a motion can be presented only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

ESTABLISHMENT OF COMMITTEE TO REVIEW RIGHTS AND IMMUNITIES OF MEMBERS—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity arising from the judgment of the Ontario Court of Appeal that members of the legislature of Ontario—and it applies equally to members of the House of Commons—must disclose the source of information that comes to them as confidential.

Most, if not all, hon. members have had the experience of individuals being prepared to give information that would throw light on wrongdoing or some matter of public interest provided that they have the assurance that their names will not be revealed. If this court decision is upheld, it means that the wells of confidential information will be closed and information which would have been furnished will remain unrevealed. Therefore, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That a special committee of the House of Commons, to consist of Mr. Speaker and seven other members to be named later, be appointed forthwith to review the rights and immunities of members of the House of Commons, and that the subject of confidentiality of information given to members of parliament shall receive the fullest consideration;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to report from time to time, to send for persons, papers and records, and to print such papers and evidence from day to day as may be ordered by the committee; and

That the papers and evidence received and taken on the subject in the first, second and third sessions of the thirtieth parliament be referred to the committee.

Mr. Speaker: In accordance with the provisions of Standing Order 43, such a motion can be presented at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Diefenbaker: Government members are afraid of what might have been revealed.

* * *

IMMIGRATION

STATUS OF CHILEAN REFUGEES—MOTION UNDER S.O. 43

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. It appears that a number of persons from Chile who have presently applied for convention refugee status in Canada will be deported to Chile, a country which the Department of Employment and Immigration has removed from the category of countries to which previously a person would not be forced to return.

• (1410)

Whereas the ad hoc committee of the United Nations Committee on Human Rights reports that Chile is still severely limited with respect to basic human rights and people continue to be arrested and tortured for political reasons, I

move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of Employment and Immigration be requested to reinstate Chile's status as a country of exception to ensure that no one will be deported from Canada in the face of the lack of human rights still prevailing in Chile.

Mr. Speaker: Such a motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

PENSIONS

REQUEST GOVERNMENT NOT CONSIDER QUEBEC ANNUITIES AS INCOME—MOTION UNDER S.O. 43

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an important and urgent matter.

Whereas Quebec annuities are pensions paid to senior citizens in the province of Quebec; whereas the contributions and the payments themselves are in no way related to the pension and the federal old age supplement; whereas when the plan was first set up, the annuities were not considered as income; whereas since this government has come to power those annuities have been decreed to be income, the federal government thus taking over 50 per cent of the Quebec annuity cheques reducing by as much their benefits from the federal pension supplement, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the government discontinue that practice of pumping Quebeckers dry and come back to the initial act under which Quebec annuities were not considered as income with regard to the federal pension supplement.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

AGRICULTURE

COMMITTEE INVESTIGATION OF MANNER OF PROVIDING ADDITIONAL GRAIN HOPPER CARS—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgency.

[Mr. Brewin.]

In view of the fact that the Canadian Grain Commission is the policing body of the grain industry in western Canada and has evidenced its dissatisfaction with the Canadian Wheat Board's handling of hopper cars by setting up a hopper car committee, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That the Minister of Agriculture immediately refer this whole matter to the Standing Committee on Agriculture with authorization to that committee to summon officials of the Canadian Grain Commission and the Canadian Wheat Board to appear as witnesses.

Mr. Speaker: Such a motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Alexander: The Liberals said no, as usual.

* * *

BROADCASTING

CRITICISM OF PROPOSAL THAT FEE BE IMPOSED FOR TV VIEWING—MOTION UNDER S.O. 43

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, in the spirit of a number of Standing Order 43s raised recently in the House, I rise under the provisions of that Standing Order.

In view of statements reported this past weekend and the resulting fears of the Canadian public about their free access to television facilities, I move, seconded by the hon. member for Restigouche (Mr. Harquail):

That this House congratulates the right hon. member for Prince Albert (Mr. Diefenbaker) for referring to the hon. member for Egmont's (Mr. MacDonald) idea of charging 25 cents to every Canadian for every television program watched as "the height in asininity" and recommends that this description be equally applied to the Tory idea of doubling cable—

Mr. Speaker: Order, please.

ORAL QUESTION PERIOD

[*English*]

CONSUMER AFFAIRS

REQUEST FOR REPORT ON STATUS OF NATIONAL FOOD POLICY—MEASURES IMPLEMENTED

Mr. John Wise (Elgin): Mr. Speaker, if I could have the attention of the Minister of Consumer and Corporate Affairs, I would like to direct a question to him. My question relates to the progress of the government's national food strategy or national food policy.

Is the minister satisfied with the progress to date with such a policy and such a strategy? If not, why not? If he is, would he give some indication as to what progress has been made and

what recommendations have been implemented as a result of the food strategy talks that took place some 12 months ago?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, progress is being made. It is slow, but it is steady. Changes have been made as a result of the three conferences which took place in the food strategy area. Some changes have been announced recently, including new guidelines for the National Farm Products Marketing Council and some appointments have been made to some marketing boards. Decisions are being implemented as it is appropriate to do so.

• (1415)

Mr. Wise: I have a supplementary for the same minister. Surely the minister should know that the continuing high levels of inflation, high interest rates and the 83-cent dollar, all products of this government, are adversely affecting the food price issue and food price increases. The minister said some kind of action would be taken. He has denied the return of wage and price controls. Is he referring to food price controls, or just what action does the minister have in mind?

Mr. Allmand: Mr. Speaker, the government is considering further action with respect to food prices. Once it has made its decision, it will announce it in the House.

Mr. Wise: I put this question yesterday to the Minister of Agriculture and received no response whatsoever. I now ask the minister, can he give me one simple example?

Mr. Allmand: That would be rather foolish, Mr. Speaker. When the decision on policy is made, it will be announced in its entirety.

GOVERNMENT ACTION TO HOLD DOWN FOOD PRICE INCREASES

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is also for the Minister of Consumer and Corporate Affairs. In a speech yesterday in Winnipeg, the minister expressed his concern over the fact that food prices in the next few months will increase anywhere from 12 to 14 per cent. I would like the minister to express his concern in some tangible way. Perhaps he can tell us why he agreed to the removal of the subsidy on domestically consumed wheat in Canada which meant an immediate 15 per cent increase in the price of a loaf of bread.

What co-ordinating activity is he taking within his department, given the responsibility that is his under the statute to make sure that various government activities which could have an impact on food prices are co-ordinated within the context of some kind of strategy? Perhaps the minister would like to address himself to that.

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker. As was stated on several occasions in this House, we agreed to remove the subsidy on bread because it was a subsidy which went to all levels of the population. We wanted to make sure that our scarce sources of public money went to those who needed it most. We increased the guaranteed income supplement to old age pensioners and we introduced the tax credit for children. That will put the money where it is most needed. That was one of our policies to deal with this situation.

Mr. McGrath: Perhaps the minister will take the House into his confidence and tell us why he expects food prices to rise from 12 to 14 per cent in the next few months. If he has already, as he said in his speech yesterday, expressed his concern to cabinet about this and expects action to be taken, why cannot that action be taken now before food prices go up even further?

Mr. Allmand: Mr. Speaker, the predictions for this entire year are between 9 per cent and 10 per cent over the year. However, the forecasts that were given to us by different sources are that in the next five or six months food prices are likely to increase between 12 and 14 per cent. In other words, as the year goes on there will be a levelling off in the rate of increase. I and many ministers have shown our concern. The cabinet has been considering for the last couple of weeks several measures which will deal with this problem.

Mr. McGrath: Perhaps the minister will tell the House who in the House is responsible for co-ordinating food policy or food strategy. Is it the Minister of Agriculture, the Minister of Consumer and Corporate Affairs, or some other minister we do not know about? We know about the DM-10 study which the minister likes to forget about. Will he tell us who has the ultimate responsibility for this question which is causing so much concern to the people in this country?

Mr. Allmand: Mr. Speaker, there are several interdepartmental committees and committees of officials dealing with food policy. The five principal departments involved have been agriculture, fisheries, consumer affairs, trade and commerce, and health and welfare. The Minister of Agriculture and I have been acting as co-chairmen in this area.

MEASURES TO PREVENT PROFITEERING IN LUMBER INDUSTRY

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a number of questions for the Minister of Consumer and Corporate Affairs. Since the wholeasale price of rough spruce plywood rose from $185 per 1,000 board feet in January, 1978, to $245 in January, 1979, two by fours in the same period went from $195 to $265, and the wood products industry had an 87 per cent profit increase last year, will the minister report what action he is taking to stop this profiteering and thereby protect home builders and consumers generally?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, that question was asked last week. I responded that I would refer the matter to the director of investigations under the Combines Investigation Act, to see whether there was any infraction under that act, and that I would explore other possibilities as well. I cannot accept as

being right or wrong the allegations made by the hon. member until I make sure that some of these matters are correct.

Mr. Symes: Mr. Speaker, this price increase was brought to the minister's attention last November. He said then that he would investigate it. We followed it up in January. All the minister can assure us is that he is investigating. Meanwhile, prices are going up. Over the last two years, the wholesale price of two by fours has risen by 70 per cent, and only last week a further 10 per cent increase was announced with regard to both two by fours and plywood sheets.

● (1420)

Since the minister told the Consumers' Association of Canada yesterday that he expected companies with increased profits to practice price moderation, and that if they failed to do so he would have to take action, will he now call in the heads of the lumber industry and demand price rollbacks for domestic lumber?

Mr. Allmand: Mr. Speaker, I do not recall the hon. member or anybody else bringing this to my attention before Christmas, but the matter was brought to my attention last week.

I never said at any time that I would do the investigating, because I do not have the powers under the Inquiries Act that the director of investigations possesses under that statute. He has the right to use certain powers of search and seizure which I do not have, and he will carry out his responsibilities and report to me and to the public.

Mr. Symes: For the information of the minister, my hon. friend from Winnipeg North raised this matter with the minister on November 27 and my leader followed it up in January. Though the minister may not have precise legislative authority to take action, he certainly has the power to call in the heads of the industry and try to exercise moral suasion if the government is too timid to bring in legislation.

I should like to put another aspect of this question to him. Again, surely, it relates to something he can investigate with a view to taking action. I understand that upon conversion to metric measurement, plywood is one-sixteenth of an inch less in thickness than under the old Imperial measurement; in other words, there is 10 per cent less wood in an ordinary plywood sheet. We were assured when we passed the metrication bill that there would be no rip-off, as far as consumers were concerned, as a result of the conversion process. This being the case, will the minister now investigate this particular application of metric conversion and take up the matter with the company heads as well?

Mr. Allmand: Yes, Mr. Speaker, we have a team in the field already helping consumers adjust to the metric system.

Some hon. Members: Oh!

Mr. Allmand: We have already provided a great deal of help across the country and we will be glad to follow up that particular matter. With respect to calling in the heads of businesses, we have done that before and we will do it again if it is necessary.

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[*Translation*]

UNEMPLOYMENT INSURANCE

THREE WEEKS' BENEFITS PAYABLE TO PERSONS 65 YEARS OF AGE

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, my question is to the Minister of Employment and Immigration and concerns the three weeks of unemployment insurance benefits paid to anyone who reaches 65. Can the minister tell us whether, in view of the recent amendments to the unemployment insurance regulations, this payment will continue to be made, or if it will be cancelled?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, the same thing applies under the new legislation.

Mr. Gauthier (Roberval): Mr. Speaker, I have a supplementary question. Could the minister try and find out why some government employees are phoning to tell us, as was the case this morning, that the three weeks of benefits would be discontinued. Could he enquire to find out if somebody is mistaken?

[*English*]

Mr. Cullen: Mr. Speaker, parliament makes the law, not the civil servants.

* * *

● (1425)

POST OFFICE

DOOR-TO-DOOR MAIL DELIVERY IN URBAN AREAS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to put a question to the Postmaster General. On Friday, January 26 last I asked some questions with reference to Post Office inefficiency and gross misconduct which has taken place at the post office in the city of Calgary. The minister agreed to send an investigating team to Calgary.

Has the minister set up this team, in light of the fact that he has received a petition containing 241 signatures and complaining about post office service. The post office to which I refer is open only between eight in the morning and four in the afternoon. Weekly newspapers—for example, the Calgary North *News*—are sometimes delivered three weeks late. Would the minister tell the House what the team is doing? Has it made an investigation? There has been no improvement in the situation.

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, I think that Calgary Area post office service is as

good as it can be in the present situation. The regional manager came to Ottawa to discuss with us ways to improve service. I know that the part of the country to which the hon. member refers has been growing tremendously in the last few months, but I can guarantee the hon. member that everything is planned at this moment to give the Calgary area better service than it has had, and within the next few months the area will get that better service.

Mr. Woolliams: Mr. Speaker, I plead with the minister to set up an independent investigation. I was informed at the weekend that some of the staff of the post office play hockey with fragile parcels. It is no wonder there is 60 per cent breakage. If that is the efficiency about which the minister is talking, I ask him to set up an independent investigating team to look into the whole postal mess not just in Calgary but throughout Canada.

Mr. Lamontagne: Mr. Speaker, I do not think I should answer such a question, but I can tell the hon. member that everything possible is being done to see that the Post Office is run efficiently and conveniently. I think the question of the hon. member greatly exaggerates the situation.

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IMMIGRATION

REQUEST FOR ADEQUATE APPEAL PROCEDURES FOR REFUGEES—CASE OF IGNACE MUNOZ

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Employment and Immigration. I believe the minister received a telegram yesterday from an interchurch committee with respect to serious charges concerning a number of refugees from Chile, and in particular the case of Mr. Ignace Munoz and his family. Apparently there is a real danger, if they are deported this Friday as announced by the department last week, that Mr. Munoz will again face possible torture, imprisonment and, this time, death.

Since this deportation is the result of failure to provide adequate translation, interviews and appeal procedures to those applying for refugee status, I wonder if the minister will indicate what action he will take directly to ensure that justice is done and human life is not endangered. This comes directly under his responsibility.

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, in so far as Chilean refugees are concerned, Canada does not need to be ashamed of the efforts it has made. Second, I think the hon. member should recognize that this government took the initiative of saying we would take political prisoners. In fact, we went right into jails and said we would take 100 families. We reached that quota, we exceeded it, and then we doubled it to 200. Our record in this regard is good, and there is a tendency to bad-mouth it all the time. I think that discredits the service Canada has done in helping these unfortunate people.

Not being satisfied with the appeal procedure under the new Immigration Act, we set up an independent refugee status advisory committee. After an individual claims refugee status, he is interviewed. He can be interviewed in the presence of counsel, if that is what he wants. The refugee status advisory committee considers the interview and determines whether the individual is, in fact, a refugee. It also makes recommendations regarding humanitarian matters. If the committee finds that an individual is not a refugee, the matter is still considered by the department as a second appeal tribunal.

So I do not think it is a good idea to be bad-mouthing constantly what we have endeavoured to do in this particular case. We are attempting to be fair and careful with the lives of these people.

Mr. MacDonald (Egmont): Mr. Speaker, as the minister well knows, there have been numerous complaints about interview, translation and appeal procedures. The minister did not address himself to that.

In view of the serious charges made by a very responsible group representing the major Canadian churches, and the further representations today by a representative of the United Nations Commissioner for Refugees who indicates the danger which will confront Mr. Munoz and others if they are deported to Chile, will the minister review the specific case which has been brought to his attention?

In addition, will he promise to meet the church officials who raised serious questions about the present refugee procedures as well as the United Nations Commissioner for Refugees who is concerned about this specific case?

• (1430)

Mr. Cullen: As a lawyer who has practiced for some 12 years, I am satisfied that when an individual loses an appeal there is always something wrong with the procedures. That is a known approach which is used constantly. But the fact of the matter is that my deputy minister has met with the church leaders. I am quite prepared to meet with them to hear their representations. I am also prepared to have a look at the case which the hon. member has mentioned, because it is of concern.

It is not an easy decision to have to make in cases such as these, but in an attempt to be as fair and as objective as we can, and recognizing that these people have a concern, we are trying to make a decision that takes into consideration the concerns expressed not only by the individuals who are launching the appeals but by others who are involved in the appeal procedures.

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EXTERNAL AFFAIRS

CANADA'S RECOGNITION OF NEW REGIME IN IRAN

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is directed to the Secretary of State for External

Affairs. In light of the announcement that the United Kingdom government intends to recognize the new government of Iran, and President Carter's statement that the United States stands ready to work with the new government of Ayatollah Khomeini, can the minister inform the House whether Canada intends to recognize the new regime, what criteria will be applied in this decision and what instructions have been sent to the Canadian diplomatic personnel in Iran?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, may I say, with respect, that I do not want to answer that question orally this afternoon in terms of the type of instructions and the like that have been sent. I will be glad, obviously, to inform the House in a formal way as to what is being done.

I have every expectation that we will be extending recognition to the government of Iran in the normal and routine way in which it is accorded to established regimes, but since the situation is evolving so quickly, I would prefer not to make any more direct statements at this time.

* * *

ENERGY

STEPS TO ENSURE ADEQUATE SUPPLY OF OIL TO EAST COAST REFINERIES

Mr. Howard Crosby (Halifax-East Hants): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Having regard to the minister's earlier remarks concerning a secured oil supply for Canadian refineries, and in light of the announced cutbacks in deliveries of crude oil to some east coast refineries, will the minister indicate whether his contingency plan has now been put into operation and whether this will restore the level of oil supplies to the east coast refineries?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, the contingency plan to which I referred a short time ago had to do with the situation which would be created if the international energy agency emergency oil sharing program were put into place. That contingency plan deals with the allocation of crude, the allocation of products and even, possibly, the necessity for a rationing program. That was the contingency plan to which I was referring.

As regards the reallocation problems which have been created for eastern refineries, in Quebec and Atlantic Canada, I believe that the arrangements we presently have in place, the submissions by the industry to the National Energy Board for exchanges using western crude displacing crude at Chicago, should tide us through at least for the present.

Mr. Crosby: In light of the actual cutbacks to certain east coast refineries, I should like to ask the minister whether he can give the House an indication of who exactly is responsible for the maintenance of adequate oil supplies for east coast refineries, and whether he has any indication that those supplies will be continued in the future.

Mr. Gillespie: As I have indicated in the House, I have every reason to believe that the source of Venezuelan crude will be made available to Canada, based on the undertakings which I received when I was in Venezuela. The Mexican crude will not be available to us until the end of the year, but it will help us to reduce our dependence on Middle Eastern crude over a period of time and, therefore, to increase our take from western hemisphere sources, therefore reducing our dependence on the Middle East, an area which is unstable so far as oil supplies are concerned.

I believe that the arrangements, which are still very much of an ad hoc, temporary nature, even though they are of an emergency nature in the sense that western crude is being displaced in Chicago to provide for the shortfall in Atlantic Canada and in Quebec, should, as I indicated a moment ago, tide us over for the time being.

[*Translation*]

INQUIRY AS TO MEASURES GOVERNMENT INTENDS TO TAKE TO AVOID ENERGY SHORTAGE, ESPECIALLY IN EASTERN CANADA

Mr. Herb Breau (Gloucester): Mr. Speaker, I should like to direct a supplementary to the Minister of Energy, Mines and Resources. Could the minister tell us whether he did receive the report requested by his department on the future of Canada in the energy field? If so, could he tell the House what measures his department is taking to face both the immediate and the long term situation which is critical when it comes to the independence of Canada and particularly of the eastern provinces in the energy field? Could he also tell us whether the government is still supporting the natural gas pipeline project between Montreal and Halifax because such a pipeline could be an alternative in such areas as energy supply in such cases.

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, the hon. member has raised the question of a natural gas pipeline to the maritimes. That particular proposal has been submitted to the National Energy Board, which will be dealing with it during the course of this year. That submission, along with the extension of the pipeline from Montreal to Quebec City and points in between, could have a significant impact on reducing Canadian dependence on foreign oil. Figures which I have seen indicate that the extension of the gas pipeline to the maritimes could displace as much as 100,000 barrels a day of otherwise imported crude oil.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER RESPONSIBLE FOR BUILDING AND URBAN DEVELOPMENT IN HUNGARY, HON. KALMAN ABRAHAM

Mr. Speaker: Order, please. Before proceeding with the question period, may I ask hon. members to join me in signalling the presence in our gallery of a distinguished visitor, together with a delegation of his ministers here on official business. I refer to the presence in our gallery of the minister responsible for bulding and urban development in Hungary, the Hon. Kalman Abraham.

Some hon. Members: Hear, hear!

* * *

REGIONAL ECONOMIC EXPANSION

DECISION ON FINANCIAL ASSISTANCE FOR SYSCO TO MODERNIZE PLANT

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, on Tuesday, November 28, 1978, during the minister's visit to Cape Breton, he was quoted in the Cape Breton *Post* as saying:

A decision will be made before the end of the year on whether Sydney Steel will get funds for modernization needed to carry out a ten-year sales contract crucial to its future.

We are now in the middle of February and no such decision has been announced. Can the minister tell us why the delay on this decision, and whether we can expect early action on this crucial matter for Cape Breton and Nova Scotia?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Indeed, Mr. Speaker, I remember quite well mentioning the possibility and the hope I had at the time of concluding these negotiations. But since November, following discussions we had with the New Brunswick premier, we had to set up a small task force which has reviewed the existing proposals and which has started a new round of negotiations not only on a certain contract which had been already negotiated, but on other projected contracts with other possible purchasers of the goods. We hope that within the next few days—and I repeat, within the next few days—they will make their findings available to me. I shall then be able to recommend to my cabinet colleagues the course of action the government should take concerning this proposal.

[*English*]

Mr. Hogan: Mr. Speaker, I want to thank the minister for that information and ask him if this confirms the suspicion at this stage that if an agreement is not reached in the next few weeks between Sysco of Nova Scotia and Tisco of British Columbia, the whole Sysco plant could fall on its face?

ENERGY

IMPORTATION OF MEXICAN CRUDE OIL THIS YEAR

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Yesterday, and again today, he indicated that the negotiations with the Mexican state oil company might mean that Mexican crude would be available in Canada by the end of this year. Because our earlier information from both Mexico and the industry here in Canada indicated that this would not be available until at least the second quarter of 1980, I wonder if the minister could inform the House how much we are negotiating for this year and how much Mexican crude is expected under these negotiations this year, that is, 1979.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, the arrangement which I discussed and which was agreed to when I was in Mexico early in January was that Canada would guarantee to the Mexicans a market for 100,000 barrels a day, and the Mexicans would guarantee to us a supply of 100,000 barrels a day.

• (1440)

The Mexican government indicated that it would be able to start deliveries in the order of 15,000 to 20,000 barrels a day before the end of this year, but very much toward the end of this year. Also, it expected we should be able to get the full volume of 100,000 barrels a day by late 1980 or early 1981.

Mr. Lawrence: What is the expected shortfall that will have to be made up respecting the Iranian cutoff?

Mr. Gillespie: Mr. Speaker, at the moment it is impossible to give any precise answer to that question, if for only one reason, that it would be impossible to estimate how long the crisis in Iran will go on and how soon they may be able to start production. At the present time, part of the shortfall is made up by increases in production by other OPEC nations, particularly Saudi Arabia. As I indicated in the House as well, part of it also is being made up by a drawdown on inventories. I am confident, if there is a relatively early increase in production by Iran, that the measures already taken should see Canada through.

We may come out rather better than most other countries because we have an option most other countries do not have. That is to say, we have some surplus producing capacity, some surplus oil in the ground rather than in storage above ground, which we can call on at the present time during what I hope is just a temporary period.

Oral Questions

METRIC CONVERSION

REQUEST FOR DELAY IN IMPLEMENTATION BY HOUSING INDUSTRY

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce who is also the minister in charge of metric conversion. No doubt the minister is aware of the arbitrary decision of Central Mortgage and Housing Corporation requiring all applications for assistance under the National Housing Act to be in metric after May 1, 1979. Also, the minister must be aware that some building products are available in metric, but basically plywood and dimension lumber are manufactured only in Imperial measurements due to the fact that Americans are our chief purchasers.

Because metric converion has become metric confusion to the majority of Canadians, will the minister meet with the minister in charge of CMHC and discuss the possibility of delaying the implementation of metrification into housing until such time as the lumber industry has made that conversion?

Some hon. Members: Hear, hear!

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, some time ago—in fact, in 1970, if my memory serves me correctly—all parties in the House unanimously agreed to set up a metric commission.

Some hon. Members: Hear, hear!

Mr. Horner: All parties in the House agreed to setting up a metric commission.

An hon. Member: Answer the question.

An hon. Member: Where were you, Jack?

An hon. Member: You must have been away, Jack.

Mr. Horner: Then the metric commission took it upon itself to form sectors to study—

An hon. Member: Did you approve it?

Mr. Horner: At that time my leader did not even ask for my approval, nor did my leader at that time seek the advice of caucus.

Some hon. Members: Shame.

Mr. Horner: I, like the hon. member, was not considered important by him at that time.

Some hon. Members: Oh, oh!

Mr. Horner: Then the metric commission set up sector studies in each sector. In this case, it went to the construction industry and asked for their co-operation in determining when the construction industry could foreseeably make the move to convert to metric. It was with the full co-operation of the construction industry that the metric commission set up the deadlines for that particular sector of the economy.

[Mr. Gillespie.]

If the construction industry now wants to ask for a major delay, I would hope they would come at least to the metric commission or myself; neither has been done yet.

Some hon. Members: Hear, hear!

Mr. Neil: Mr. Speaker, I have never known the hon. member to be backward in telling his leader what he thought about various points.

Some hon. Members: Hear, hear!

Mr. Neil: The minister must be aware of the attitude of the American government toward metrification and the fact Australia and Great Britain are taking a second look at metrification. In view of the fact metrification is costing Canadian taxpayers millions of dollars, and Canadian consumers unknown millions of dollars, will the minister, as one who stood shoulder to shoulder with the troops on this side objecting to the metric bill, give an undertaking that he will meet with his counterparts in the United States in order to discuss metric conversion, so that we can move in concert with the United States?

Mr. Horner: Mr. Speaker, let me first put the House straight. There was no metric bill; there was a resolution.

An hon. Member: That is right.

Mr. Horner: It was a resolution which had the complete approval of all parties, as I said.

An hon. Member: Just to set up the commission.

An hon. Member: Except you, Jack.

Mr. Horner: That does not mean to say that it had the consent of all members of the House. I never said that at any time.

Some hon. Members: Oh, oh!

Mr. Horner: I want to assure hon. members and the House generally that my leader consistently hears my views.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Horner: The gratifying position I find myself in—

An hon. Member: And he rejects you.

Some hon. Members: Oh, oh!

Mr. Horner: The gratifying position I find myself in is that my leader now actively seeks my views on all subject matters.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): And consistently rejects them.

Mr. Hnatyshyn: Now we know what is wrong with the Liberal party.

Mr. Alexander: That is why you cannot get ahead in the polls.

Mr. Speaker: Order, please.

TIMETABLE FOR MINTING OF METRIC COINAGE

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is directed to the Minister of Supply and Services. I raise this question with the minister because he is also the Receiver General for Canada and the minister to whom the Master of the Mint reports.

Will the minister advise if the government is proceeding with its plan to produce metric coinage? As I understand it, coins have been designed and samples approved in the 20-cent, 40-cent and 80-cent denominations. Would the minister advise if a timetable for the release of these coins has been determined?

[*Translation*]

Hon. Pierre De Bané (Minister of Supply and Services): Mr. Speaker, I am not in a position to provide detailed information concerning these issues. It is clear, however, that in view of the rising costs of metals, we shall have to come to a decision concerning for instance the 1 and 5 cent coins, whose nominal values are less than the costs of production. I hope I shall be very shortly in a position to announce the necessary decisions.

[*English*]

Mr. Kempling: Mr. Speaker, while the minister is looking into that, could he advise what consultation has taken place with the vending machine industry and the manufacturers of cash registers? We now understand that it will cost $100 million to convert scales. What will be the cost of converting cash registers to metric coinage? What consultation has taken place with the telephone companies and the vending machine industry of the country? Could the minister find those matters out at the same time?

Mr. De Bané: Mr. Speaker, I can say to the hon. member that the Canadian Automatic Merchandising Association already is on record as not opposing any of those plans. It goes without saying that no decision will be taken without having full consultation with the vending associations.

[*Translation*]

ADMINISTRATION OF JUSTICE

INQUIRY WHETHER GOVERNMENT INTENDS TO ESTABLISH FAMILY COURTS IN QUEBEC

Mr. Gilles Marceau (Lapointe): Mr. Speaker, my question is for the Minister of Justice.

For the past couple of years several Quebec groups, and in particular the Quebec Women's Federation, have been calling for the establishment of a family court. In view of the results of the latest federal-provincial conference at which there was unanimous consensus on the transfer of family rights, could the minister say whether he intends to introduce shortly a bill to amend the constitution so as to set up those family courts, and does the minister, as this will undoubtedly necessitate rather extensive delays, have an alternative which might be immediately applicable to Quebec which could rapidly establish a family court?

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, in co-operation with several provinces we have already managed to establish family tribunals by going ahead with the joint appointment of judges who are particularly knowledgeable in the area of family relationships. I do not have a similar agreement with Quebec yet but such an arrangement is available to the Quebec authorities if they want to use it, just as a few other provinces have already used that technique.

With respect to the constitutional amendment that would be required to ensure the transfer of marriage and divorce to provincial jurisdiction, the government indicated it agreed with such a constitutional amendment and no decision has been made yet as to the date when parliament will be called upon to consider that specific amendment.

* * *

● (1450)

[*English*]

TRANSPORT

USE OF ADDITIONAL GRAIN HOPPER CARS ON CPR LINES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is to the minister in charge of the Wheat Board. In response to farmers' concerns over the recent media report that the CNR only would get the new hopper cars which the Wheat Board has ordered, when presumably the farmers collectively will pay for them, would the minister explain why farmers who are on CPR lines will apparently not be able to have the use of the hopper cars?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there was a point in time when both the Wheat Board and I had the distinct impression that the Canadian Pacific Railway were telling us that they would have enough cars for the handling of grain next year. That, incidentally, was part of

their reason for not entering into the boxcar repair program, even though we were offering to pay half the costs and even though I had drawn to their attention the requirement under the statute that they provide equipment for the carriage of goods. They later changed their view and entered into that car repair program. Also, they have now indicated that they do, in fact, require some new cars.

As a result, while the Canadian Wheat Board—I suppose fairly logically—had decided to allocate the cars to Canadian National, which clearly said they needed them, now that Canadian Pacific has indicated likewise I am sure further consideration is being given to the question of whether it would be fair to farmers in the areas served by CPR not to have the advantage of the cars as well.

Mr. Ritchie: Mr. Speaker, in that event, will the minister give his unqualified endorsement that he will make certain that the Wheat Board is fair in the allocation of these cars, as all farmers, presumably, will have to pay for them collectively?

Mr. Lang: Mr. Speaker, to this point I have indicated to the Wheat Board my view that it would be wise for them to have these cars divided between the two railroads. I have not considered whether I would take any further action if the Wheat Board continued in the judgment that it was best for them to have the cars allocated to Canadian National. I have also conveyed to them the strong feelings of farmers whom I have met through my travels in southern areas of the prairies, where Canadian Pacific lines predominate, about the fact that the cars ought to be shared.

INQUIRY WHETHER PUBLIC HEARINGS WILL BE HELD ON RAIL LINE ABANDONMENT

Mr. Bert Cadieu (Meadow Lake): Mr. Speaker, my question is to the Minister of Transport. Will there be any provision made for public hearings concerning the abandonment and destruction of the Amiens subdivision from Spiritwood to Shellbrook in Saskatchewan?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, as the hon. member knows, that area was fortunate enough to have one of the first recommendations of the Prairie Rail Action Committee confirmed by government action, and as a result the lines to Spiritwood and to Glaslyn have been transferred into the basic rail network. Other recommendations of the Prairie Rail Action Committee go before the Canadian Transport Commission. In this particular case it is a recommendation of the Hall commission which created the first question about that line.

Under the current law, the Canadian Transport Commission can arrive at its own decision as to when it ought to hold hearings. Therefore, it may follow one practice or another, depending upon the extent of submissions to it in regard to the line. I have been suggesting to communities which have concern about saving their line and want to be heard that they not only make their views known to the Canadian Transport Commission at an early date, but do so in the form of a brief setting out their views, so that the commission has an analysis of their reasons in deciding even the preliminary question of holding a hearing.

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INDUSTRY

PROGRAMS TO ASSIST ELECTRONICS AND TELEVISION INDUSTRIES

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce. Statistics Canada statistics show that the "Made in Canada" colour television sets manufactured in December total only 11,900, as compared to 21,000 the year before—a decline of 81 per cent—and that on a year-to-year basis the sales of Canadian-made colour television sets were down 114 per cent and, as compared to 1975, they were down 219 per cent.

The Canadian TV manufacturing industry is disappearing and our electronics industry is in very bad shape. If Statistics Canada intends to do away with statistics on this industry this year, it will save money. Apart from Statistics Canada saving money as our industries disappear, has the government got any programs that will assist the electronics industry and the TV manufacturing industry during the present year, 1979? What action does the government intend to take?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I want to thank the hon. member for asking this question because it gives me pleasure to put on the record that the Department of Industry, Trade and Commerce, under the enterprise development program, has specifically helped one of the major television manufacturers in Canada, namely, Electrohome, and helped to put that company back on its feet. In fact, we were out of production of colour television sets for some time, but now Electrohome has gone into production because of the advantages due to the present value of the Canadian dollar. We are now enlarging our production of colour television sets. The increased production may not have shown up in the statistics for December, 1978, but I am confident it will show up in the 1979 figures.

Mr. Speaker: Order, please. I overlooked a supplementary question by the hon. member for Meadow Lake.

Mr. Crosbie: Mr. Speaker, a supplementary.

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TRANSPORT

OBJECTION TO PROPOSED RAIL LINE ABANDONMENT AT AMIENS, SASK.

Mr. Bert Cadieu (Meadow Lake): Mr. Speaker, my supplementary is to the Minister of Transport. Is the minister aware that in the 1920s Canadian National set up a colonization board in Saskatoon to encourage development of this area by promising settlers a rail line, and that the decision to abandon

the Amiens subdivision means that people who settled this area in good faith are now being betrayed because of the lack of co-operation between the railways and the government?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am sure that that is the kind of comment the hon. member will want to put in his submission to the Canadian Transport Commission.

Mr. Crosbie: Mr. Speaker, a supplementary.

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EXTERNAL AFFAIRS

BENEFITS OF COMMON MARKET WITH CARIBBEAN

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce or, if it is more appropriate, to the Secretary of State for External Affairs.

Recently an announcement was made about a trade and economic co-operation agreement between the governments of the Caribbean common market and Canada. In that regard, could the relevant minister inform the House what benefits will be available for Canada?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, there are many different benefits to come from it, but I do not think that I would be permitted to go into detail at this time. I will be glad to provide a copy of the agreement and of the statements made at the time it was signed.

FISHERIES—NEGOTIATIONS WITH UNITED STATES ON TERRITORIAL BOUNDARIES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Secretary of State for External Affairs: it concerns the present state of boundary negotiations in terms of the west coast.

Could the Secretary of State for External Affairs advise the House if the Canadian delegation is now actively considering a proposal to move the territorial boundary at the Dixon Entrance south, in exchange for some territory in the 200-mile zone? Is that presently under consideration by the Canadian delegation?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, without attempting to be evasive, I think the hon. member knows that it is not customary to reveal the details of negotiating positions; but I think that I can tell him that there is nothing that has been in any sense firmed up with regard to the west coast. A number of proposals have been put forward by both sides, but beyond that I do not think that it would be appropriate for me to comment.

● (1500)

Mr. Leggatt: I wonder if the minister could give me some assurance that the Government of Canada does not intend to move that boundary south? If he could give the House that assurance, he might be able to satisfy many of the people who live in the north.

Could he also tell us whether these negotiations, which have been going on for a long time, have an internal time limit, set by the minister? Has there been some agreement in terms of an international forum to ultimately settle the dispute between this country and the United States both on fisheries and on boundaries?

Mr. Jamieson: Mr. Speaker, on the first part of the question I can give the hon. member the assurance—and I repeat to him what I said earlier—that there is no offer from Canada. A number of proposals have been put forward in one way or the other, but as of this moment it is merely a matter of negotiation.

On the broader question, quite frankly, I do not know what the outcome is going to be on the west coast. We have had extreme difficulty as to any kind of basis on which an agreement might be formulated not only with our own Canadian fishing community but also with that community as it relates to the fishing community in Alaska and the United States. I think the hon. member knows that we have been involving all of the parties. I believe, incidentally, that our Canadian negotiators are in Alaska—if not today, they will be tomorrow—talking about halibut, for example.

It is exceedingly difficult to get an arrangement with regard to a species which affects one group of fishermen when the trade-off may be another species which is of interest to another group of fishermen. It is extremely complicated, I repeat. On the question of whether it is going to go to third party arbitration, no decision on that has been arrived at on the west coast, but I think the hon. member knows that within a short time, perhaps within 24 hours, we will be announcing a decision in that regard for the east coast.

NEGOTIATIONS ON CANADIAN TERRITORIAL WATERS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question. I was trying to catch your eye to put it to the Minister of Indian Affairs and Northern Development, but perhaps it would be more appropriate to put it to the Secretary of State for External Affairs. It concerns Canada's north coast and the same negotiations.

Reports are fairly positive that at the fisheries negotiations the United States is laying claim to a considerable area of Canada's territorial waters east of the Yukon-Alaska boundary on the basis that the sector theory does not apply. Can the minister tell us whether such a claim is being made by the United States to Canadian territorial waters and, if so, can he assure the House that the Government of Canada is taking a firm stance that in no way will any portion of Canada's

territorial waters as recognized by the sector theory be bartered away?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I think I can assure the hon. member that we have taken a particularly firm stand. We want to get the absolute maximum that we can for this country.

In so far as formal claims by the United States are concerned, for obvious reasons I would want to check and see what has been laid down as a formal claim as distinct from certain positions proposed in negotiations. I will try to get that information for the hon. member.

Perhaps a more general answer would suffice at the present time, in that Canada has recognized no claims by the United States for any boundary lines or any other proposal that they have put forward on the west coast. As I told the hon. member a few moments ago, the whole thing is very much a matter of negotiation, with no final decision made as to how it will be disposed of, whether by bilateral negotiation or third party arbitration.

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POINTS OF ORDER

MR. MACEACHEN—OPERATION OF STANDING ORDER 43—RULING BY MR. SPEAKER

Mr. Speaker: A point of order under Standing Order 43 has long been outstanding before the House. I am conscious of the fact that today is an allotted day for the opposition but I should like to dispose of this ruling at this time. I have given it very careful consideration and I do not think the House will find that it will take an undue length of time, bearing in mind our desire to start proceedings on the opposition motion.

This point of order came up in respect to difficulty with proceedings pursuant to Standing Order 43 but obviously, through the very extensive discussion, it touched on long standing concerns on both sides of the House about the proceedings pursuant to this Standing Order which we have now organized as our first item of business every day and which proceedings have given us a rather troubled history.

The Standing Order began, innocently enough, simply as the written expression, perhaps even unnecessary, that with unanimous consent we could free ourselves from the shackles of our own rules. In due time it found its way into the hands of all members as a rather regularly used device during motions which in the previous arrangement of our business followed questions each day.

Early in this parliament we re-arranged our order of business in a way which I feel, and which I think other hon. members feel, greatly improved not only our question period but which consecrated our opening few minutes to applications pursuant to this Standing Order every day. I think it cannot be overlooked that this represented a clear confirmation of support in the House for the practice.

It also introduced an element of self-discipline, since the time not taken up with these motions would be available for additional questions and, as a result, I believe I became more lenient in my own interpretation of Standing Order—perhaps as discussion on all sides of the House indicated, a little too lenient. In any case, I certainly welcomed this point of order when it was raised late last year.

I want to say at the outset that the extensive discussion, containing a number of very reasoned contributions, has in itself done a great deal to reduce the difficulty, especially in the consensus which I felt was evident, that the practice, however imperfect, fills an important purpose and must be preserved, and that I must exercise my authority to check obvious abuses.

Drawing upon this consensus, I hope members have noticed that since the day of this discussion I have intervened on several occasions to reject applications from both sides of the House which contained inflammatory preambles which are of a purely partisan nature, which lack urgency, and which are frivolous; and even today I set aside one of those applications which came from the government side of the House. As I say, I have tried to do that on both sides of the House and to draw upon the consensus raised in the discussion that I ought to do so in order to preserve this practice. Equally, I have refused to put the application to the House where the motion endeavours to express congratulatory messages or relates to procedural problems.

I want to stress to the House that I have taken this approach as a direct response to contributions from all sides—from the government side, of course, but equally from the hon. member for Hamilton West (Mr. Alexander), the hon. member for St. John's East (Mr. McGrath) and the hon. member for Winnipeg North Centre (Mr. Knowles).

Among the contributions I received I stress those members because in each case the member stressed that it was hoped I would find a way to reduce the misuse of the rule in order to safeguard it. I, therefore, say I was drawing upon a consensus. With the support of the House I will continue to do so in order to ensure that access to this procedure remains available every day to those who seek to bring to the attention of the House matters which are worthy of urgent consideration.

I also want to resolve the point of order related to the conflict with our schedule when consent is given, the motion is put and debate begins. I am convinced that the committee which recommended the excellent pre-arrangement of our routine proceedings did not anticipate this problem, and so we are without specific guidance.

I am faced with some very clear language in Standing Order 15(2), which protects the hours of question period each day, and Standing Order 45(2), which transfers to government orders any interrupted or adjourned debate. I have therefore followed the practice of transferring to government orders any debate under Standing Order 43 which is interrupted by the question period. It seems to me that to do otherwise I would have to ignore these Standing Orders and give motions pursuant to Standing Order 43 a priority over all other business,

which is really in effect giving to it the priority heretofore enjoyed by motions referring to matters of privilege. Finally, it seems to me that if the effect of consent to put a motion pursuant to Standing Order 43 is to give it that kind of priority, I think members realize I would only be increasing the difficulty of securing consent instead of easing it, which might be more desirable.

A future procedure committee will, I am sure, endeavour to clarify this problem for the House. In the interim, I will continue to treat these debates, once interrupted by question period, as having been transferred to government orders pursuant to Standing Order 45(2).

These two decisions about attempting to reduce those abuses which I cited earlier in my ruling, and this ruling about attempting to transfer the debate to government orders if interrupted by question period, may clarify situations which press upon us for the moment, but still do not touch on many of the elements given very extensive consideration in the discussion, including a number of suggested improvements. I think I should deal with those briefly.

I think all sides of the House recognize that this procedure is the best substitute we have for a grievance procedure, but that it fails fundamentally as a grievance procedure because it is not in any way designed to evoke a direct, reasoned response at the time the grievance is aired.

We dealt rather extensively as well with the difficulty that members who withhold their consent for the introduction of this motion ought in some way to be identified, perhaps by rising in their place. This was a very strong point raised over a long period of time by the right hon. member for Prince Albert (Mr. Diefenbaker) and was also referred to on several occasions by the hon. member for Bellechasse (Mr. Lambert).

● (1510)

One of the most basic concerns relates to the rather widespread misunderstanding of the very nature of the proceeding itself. That is, that what is being sought is actual passage or approval of the motion and therefore that the withholding of consent by the other side somehow constitutes opposition to the motion. Both of these notions are rather widely held and both of them are totally incorrect. For very good reasons members of this House are entitled to notice in advance before being asked to debate a matter of some importance.

The effect of Standing Order 43 is solely to introduce into the House a motion without prior notice. Approval or passage is an entirely separate question once the motion is put. On the other hand, the withholding of consent ought to be related in some way to the introduction without notice of a motion, and I am sure it often has nothing to do with the substance of the motion.

There is not much that I can do to bring about a more accurate understanding of these procedures from the Chair. However, I want to return to one proposal that seemed to receive support from all sides of the House, and that is the matter of a member refusing consent and doing so with identification. Obviously that carries with it a counter-balancing change in our practices. Presumably if a member is to be identified when withholding his consent to the introduction of a motion, then we would have to give to that member the opportunity to explain the reason that he is withholding his consent.

Let me try to point out the difficulties that we face by the example which is so recent, namely the motion now put a second time within about a week by the right hon. member for Prince Albert (Mr. Diefenbaker). Many suggestions were put that that abuse of the rule might be eliminated by prior notice being given to the Chair so that I could choose between motions. Alternatively, I could take a tight line on abuses when listening to the preamble of the motion.

The motion put by the right hon. member for Prince Albert touches a matter which seems to me, in any Speaker's decision, would qualify as far as urgency is concerned because it follows upon a court decision. It is important because it affects the rights and privileges of members of the House of Commons with respect to the confidentiality of their sources of information. Even if advance notice had been given to the Chair, a method which has been suggested by some hon. members, and even if I take the tightest possible line on preambles, any Speaker would surely see that this is a motion that qualifies pursuant to the rules.

The difficulty arises when the withholding of consent is considered as opposition to that kind of a motion. Whether it is or not, leaving aside political differences for the moment and taking a serious approach to the dilemma for both sides of the House, I would say this is a motion that most would consider could quite properly be put under this procedure. On the other side of the coin the question is: Is it desirable that that kind of motion be debated without any advance notice? It is a very serious question. Would the House be satisfied with a debate that did not include in that subject a contribution, for example, by the minister of justice of the day? Surely not. Therefore, the withholding of consent in these circumstances is related to the fact that notice should be given, and a matter of this sort ought not to be sprung on the House without such notice. Later in the question period of that particular day, in response to a question put by the right hon. member, the Deputy Prime Minister (Mr. MacEachen) gave some reasoning. But that does not happen every day.

Then the question arises: Is this the direction in which we should move? Should members withholding consent be prepared to identify themselves by rising in their places? If they do this, should they be given the opportunity to make a brief statement about the reason for withholding consent? Immediately the House will realize that we have fundamentally changed the proceeding if we do that. Also we will have entirely altered the use of that brief period of time which now exists.

Another of the useful suggestions that has come forward and which also gets my approval in principle concerns the development of a grievance procedure. We are striving to use this proceeding in order to replace what I have said many times in the past is significantly missing from our practices,

and that is the right of members on all sides of the House to have access to the proceedings of the House to air grievances that cannot be aired satisfactorily in the question period, at least not always.

It cannot be done satisfactorily under the provisions of Standing Order 43 because there is no response permitted and there is not sufficient time. The adjournment debate is the closest thing we have to it, but it is not satisfactory either. It has a tremendous backlog and in order to get to the adjournment debate one must first have access to the question period. Therefore it is hoped that the House could develop some proceeding at six o'clock, as specifically suggested, I think, by the hon. member for St. John's East. Perhaps we could use that period of time, but I do not know and I certainly would not want to think through the details without an examination by a committee.

It seems to me the following are two possibilities and worth-while suggestions. First, regarding withholding of consent under our present proceeding, that the one withholding consent might have a brief moment to give his reason. Second, that a grievance procedure be established which would replace the attempt now being used under Standing Order 43 to air a grievance in a more adequate and direct way. Both of these suggestions should be examined.

I say in conclusion that these suggestions have my support in principle. The House will know that at this stage of our parliament it would not be timely even to attempt these rather important and substantial changes. In any event, these changes ought not to come from the Chair. They have to be as a result of consensus in the House carefully distilled through committee proceedings which will examine all of the consequences and make recommendations to the House.

I indicate that these are two suggested improvements that ought to be given careful consideration, probably early in the next parliament. A report should be made to the House so the House can draw upon that consensus. I will continue, as I say, with the support of the House to enforce the rules as strictly as I can, bearing in mind the ad hoc nature of the proceeding, the preambles and the content of motions, in order to ensure that we will continue in the balance of this parliament to have this procedure available for those who wish each day to bring important and urgent matters to the attention of this House.

MR. CROSBIE—BROADCASTING—NON-RECOGNITION OF SUPPLEMENTARY QUESTION

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my point of order has to do with the question period. Your Honour recognized me so that I could ask a question, which was not unimportant, in connection with the television manufacturing industry of Canada. You did not permit me to ask a supplementary; you went back to my hon. friend from Meadow Lake (Mr. Cadieu) to permit him to ask a supplementary, which I certainly agreed with. But, Mr. Speaker, as you know, the original question is not always the most important one.

[Mr. Speaker.]

I asked a question about the television manufacturing industry. My supplementary was going to be: Why were the government purchasing TV monitors specifying foreign equipment when it calls for tenders? Why do they not assist the industry by giving some preference to purchasing, rather than discriminating against Canadian manufactured equipment? So obviously the important part of my question was the supplementary. Yet for some reason unknown to me, Your Honour did not permit the supplementary. Just because Your Honour wished to permit the hon. member for Meadow Lake to have a supplementary was no reason for Your Honour not to allow me to have a supplementary, unless the question I was asking was completely inconsequential in the first place.

Mr. Speaker: Order, please. The hon. member will realize that he has no point of order. The matter is discretionary. I have to exercise this kind of discretion every day. Regrettably we were coming to the conclusion of the question period and I had some very difficult choices. About three members had supplementary questions and I could not recognize all three of them. Perhaps the next time it will be the hon. member at the expense of one of his colleagues.

[*Translation*]

MR. McGRATH—CMHC OFFICIALS—ALLEGATIONS OF WRONGDOING—STATEMENT BY MINISTER

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, yesterday the hon. member for St. John's East (Mr. McGrath) rose on a point of order and asked that I withdraw some of the comments I made in answering one of his questions. I then agreed to check *Hansard*. I must say that indeed the hon. member for St. John's East did not accuse the civil servants of the Central Mortgage and Housing Corporation but that he merely alluded to allegations of wrongdoing. I therefore take this opportunity to straighten out the record, and correct *Hansard*.

[*English*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would say that is a demonstration of good parliamentary manners.

● (1520)

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

PRESENTATION OF FOURTH REPORT OF STANDING JOINT COMMITTEE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have the honour to present the fourth report of the Standing Joint Committee on Regulations and Other Statutory Instruments

which deals with the concern of the committee over the absence of any ascertainable rules in relation to import quotas on footwear and other goods.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: 211 and 654 to 661 inclusive.

[*Text*]

UNUSUAL AND TROPICAL DESEASES

Question No. 211—**Mr. Jones:**

1. Have there been any reports of outbreaks or diseases that are unusual for the Canadian environment or climate by doctors or hospitals within the last eight years? If so, what were they?

2. Have there been any reports of tropical disease breaking out in Canada since 1970? If so, please specify.

3. Have the number of tropical or unusual disease cases been on the rise in Canada since 1970? Please give statistical figures for outbreaks of tropical or unusual diseases since 1970.

4. Have these cases been reported to the Health authorities or to the public to warn them of these dangers? If so, list the authorities to whom these cases were reported. If not, why?

5. What steps have been taken by the Department of Health and Welfare to protect the people of Canada from the spread or attack of tropical or unusual diseases?

6. Is immunization against tropical or unusual disease available to all Canadians upon demand. If not, why?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned: 1. There have been few reports of outbreaks or diseases in the last eight years that are unusual for the Canadian environment or climate. A visitor to Canada was diagnosed as a case of cholera in 1974, and a second diagnosis was made in 1977 in a Canadian who acquired the infection while overseas. No spread occurred in Canada. The recently described legionnaires' disease was confirmed in two patients in 1977, and in approximately 20 in 1978. Poliomyelitis which, through aggressive immunization programs, has become a rare disease in Canada, was diagnosed in nine patients during the past summer. All occurred in unimmunized individuals who had rejected vaccination on religious grounds. Over the past eight years the average incidence has been three cases.

2. No outbreak of tropical disease has been reported in Canada during the last eight years. Epidemics of these diseases are unlikely to occur nowadays because of the ecological environment and improved hygienic conditions. As shown in the response to question No. 3, malaria is being diagnosed in an increasing number of patients. However, all cases have occurred among travellers returning from the tropics and spread within Canada does not occur.

3. The following table shows the number of cases of tropical or unusual diseases reported in Canada since 1970. As already noted, the increasing volume of Canadian travellers to tropical countries where the disease is still endemic.

Reported Cases of Rare Diseases—Canada, 1970-1977

	1970	1971	1972	1973	1974	1975	1976	1977
Amoebiasis	118	134	253	491	584	650	870	746
Brucellosis	31	8	16	8	27	30	38	39
Cholera	—	—	—	—	1	—	—	1
Leprosy	6	9	10	15	10	11	18	16
Malaria	5	7	7	25	24	52	91	96
Poliomyelitis	2	6	2	4	3	2	—	2
Psittacosis	9	3	6	2	2	1	—	6
Tetanus	11	6	3	3	8	1	7	8
Trichinosis	6	3	16	14	49	7	41	23
Tularemia	1	1	—	1	8	2	35	5

4. Tropical and unusual diseases are reported by the physician making the diagnosis—either to the local medical officer of health—or directly to the respective provincial epidemiologist. Action is then taken for location and examination of contacts, if this is necessary. Provincial health authorities in turn alert Department of National Health and Welfare officials if further interprovincial or international action is indicated for control of the disease in question.

5. With Department of National Health and Welfare support, a special committee was formed to develop a "Canadian Contingency Plan" dealing with the principles and management of exotic dangerous communicable diseases. This was published in March 1978, and since then approximately 3,500 copies have been distributed to federal, provincial and municipal health authorities. In addition, pamphlets are produced to alert travellers of disease risks in foreign countries. Travel agency associations are informed of special vaccination requirements and ongoing training is maintained in biosafety practices for quarantine officers at ports of entry.

6. Immunization is readily available, although the number of vaccines of proven safety and efficacy is greatly overshadowed by the number of diseases for which no adequate prevention exists. In general, family physicians can provide most immunizations, and many local health departments provide special clinics for traveller vaccinations. Yellow fever vaccine is supplied free of charge in National Health and Welfare designated clinics.

MR. JOHN C. DOYLE

Question No. 654—**Mr. Crosbie:**

1. (a) With respect to Mr. John Christopher Doyle and his reassessments for income tax for the (i) 1950 (ii) 1954 taxation year, what is the total amount of income tax, interest, penalties and court costs due to the government by Mr. Doyle and the amount owing with respect to each category (b) what part of the amount owing to the government was collected?

2. Did the government enter into any arrangement with the taxpayer providing for payment of the amount due and, if so, in each case, what was the nature of the arrangement and on what date will the monies due be paid in full provided the terms of the arrangements are observed?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): 1.(a) Judgments issued in 1977 and 1978 by the Supreme Court of Canada and in 1978 by the Federal Court of Canada in respect of the appeals before them determined the taxes payable by Mr. John C. Doyle to be as follows:

		Tax	Court Costs
(i)	1950	$126,793	$2,440
(ii)	1954	$1,438,747	

Interest for these years to October 1978 totalled $2,177,909.

(b) Further details of Mr. Doyle's account cannot be given because of the confidentiality provisions of the Income Tax Act.

2. Discussions have been ongoing with a view to obtaining an arrangement for payment of the outstanding taxes and interest. Details of the arrangement cannot be given because of the confidentiality provisions of the Income Tax Act.

Question No. 655—**Mr. Crosbie:**

1. With respect to the 1953 and 1954 taxation years and income taxes claimed from Mr. John Christopher Doyle, were the other appeals by Mr. Doyle with reference to those matters disposed of and if so, what was the result of any settlement arrived at in such appeals including the amount of income tax now agreed as owing by Mr. Doyle with reference to those periods, any amount owing for interest or penalties or court costs and the total now agreed to be owing to the government?

2. Were all or any of the amounts now agreed to be owing paid by the taxpayer and, if so, in what amount?

3. If any amounts are still owing by the taxpayer, has any arrangement or agreement been entered into providing for payment of such amounts and, if so (a) under what terms and conditions (b) on what date will they be paid?

Hon. A. C. Abbott (Minister of National Revenue): 1. Judgments issued by the Supreme Court of Canada and the Federal Court of Canada in 1978 in respect of the appeals before them determined the taxes payable by Mr. John C. Doyle to be as follows:

	Tax	Court Costs
1953	$39,657	Nil
1954	See written question 654 answered this day	

Interest for 1953 to October 1978 totalled $57,354.

2. Further details of Mr. Doyle's account cannot be given because of the confidentiality provisions of the Income Tax Act.

3. Discussions have been ongoing with a view to obtaining an arrangement for payment of the outstanding taxes and interest. Details of the arrangement cannot be given because of the confidentiality provisions of the Income Tax Act.

[Mr. Crosbie.]

JAVELIN FOUNDRIES AND MACHINE WORKS

Question No. 656—**Mr. Crosbie:**

1. With respect to the 1953 taxation year and the appeal instituted by Javelin Foundries and Machine Works Limited from tax assessments, was the appeal of the taxpayer under court number T-419-71 dismissed with costs and, if so, what is the amount of the tax now due to the government or the amount of any interest, penalties or court costs due?

2. Did Javelin pay all or any of the income tax and other amounts due to the government and, if so, in what amount?

3. If any amountof tax or other payment now due from Javelin was not received by the government, was an arrangement or agreement entered into with the taxpayer for payment and, if so (a) on what terms (b) on what date will all the amounts be paid?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): 1. Yes. The judgment issued by the Federal Court of Canada in 1978 in respect of the appeal before the court for the 1953 taxation year determined the tax and penalty payable by the company to be $153,247 and $500 respectively. Court costs are to be determined by the court. Interest for the 1953 taxation year to October 1978 totalled $227,387.

2. Further details of the company's account cannot be given because of the confidentiality provisions of the Income Tax Act.

3. Discussions have been ongoing with a view to obtaining an arrangement for payment of the outstanding taxes and interest. Details of the arrangement cannot be given because of the confidentiality provisions of the Income Tax Act.

Question No. 657—**Mr. Crosbie:**

1. With respect to the 1954 taxation year and the appeal instituted by Javelin Foundries and Machine Works Limited from tax assessments, was the appeal of the taxpayer under court number T-420-71 dismissed with costs and, if so, what is the amount of the tax now due to the government or the amount of any interest, penalties or court costs due?

2. Did Javelin pay all or any of the income tax and other amounts due to the government and, if so, in what amount?

3. If any amount of tax or other payment now due from Javelin was not received by the government, was an arrangement or agreement entered into with the taxpayer for payment and, if so (a) on what terms (b) on what date will all the amounts be paid?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): 1. Yes. The judgment issued by the Federal Court of Canada in 1978 in respect of the appeal before the court for the 1954 taxation year determined the tax and penalty by the company to be $105,757 and $500 respectively. Court costs are to be determined by the court. Interest for the 1954 taxation year to October 1978 totalled $152,539.

2. Further details of the company's account cannot be given because of the confidentiality provisions of the Income Tax Act.

3. Discussions have been ongoing with a view to obtaining an arrangement for payment of the outstanding taxes and interest. Details of the arrangement cannot be given because of the confidentiality provisions of the Income Tax Act.

Question No. 658—**Mr. Crosbie:**

1. With respect to the 1955 taxation year and the appeal instituted by Javelin Foundries and Machine Works Limited from tax assessments, was the appeal of

the taxpayer under court number T-421-71 dismissed with costs and, if so, what is the amount of the tax now due to the government or the amount of any interest, penalties or court costs due?

2. Did Javelin pay all or any of the income tax and other amounts due to the government and, if so, in what amount?

3. If any amount of tax or other payment now due from Javelin was not received by the government, was an arrangement or agreement entered into with the taxpayer for payment and, if so (a) on what terms (b) on what date will all the amounts be paid?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): 1. Yes. The judgment issued by the Federal Court of Canada in 1978 in respect of the appeal before the court for the 1955 taxation year determined the tax and penalty payable by the company to be $167,624 and $500 respectively. Court costs are to be determined by the court. Interest to October 1978 totalled $230,218.

2. Further details of the company's account cannot be given because of the confidentiality provisions of the Income Tax Act.

3. Discussions have been ongoing with a view to obtaining an arrangement for payment of the outstanding taxes and interest. Details of the arrangement cannot be given because of the confidentiality provisions of the Income Tax Act.

Question No. 659—**Mr. Crosbie:**

1. With respect to the 1955 taxation year and the appeal instituted by Javelin Foundries and Machine Works Limited from tax assessments, was the appeal of the taxpayer under court number T-422-71 dismissed with costs and, if so, what is the amount of the tax now due to the government or the amount of any interest, penalties or court costs due?

2. Did Javelin pay all or any of the income tax and other amounts due to the government and, if so, in what amount?

3. If any amount of tax or other payment now due from Javelin was not received by the government, was an arrangement or agreement entered into with the taxpayer for payment and, if so (a) on what terms (b) on what date will all the amounts be paid?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): 1. Yes. The judgment issued by the Federal Court of Canada in 1978 in respect of the appeal before the court for the 1955 taxation year determined the penalty payable by the company to be $28,334. Court costs are to be determined by the court. Interest to October 1978 totalled $64,616.

2. Further details of the company's account cannot be given because of the confidentiality provisions of the Income Tax Act.

3. Discussions have been ongoing with a view to obtaining an arrangement for payment of the outstanding taxes and interest. Details of the arrangement cannot be given because of the confidentiality provisions of the Income Tax Act.

Question No. 660—**Mr. Crosbie:**

1. With respect to Javelin Foundries and Machine Works Limited and two reassessments relating to the 1956 taxation year, what was the result of the appeal instituted by the Minister of National Revenue from a decision of the Tax Review Board which had allowed an appeal from the taxpayer?

2. Was the appeal of the Minister of National Revenue allowed and, if so, what is the amount of tax, interest, penalties or court costs due to the Crown by the taxpayer and, of the amount due, have all been paid or has any part thereof been paid and, if so, in what amount?

3. If all of the amount now due are not paid, has any arrangement or agreement been entered into with the taxpayer for payment and, if so (a) what are the terms of the agreement or arrangement (b) on what date will the full amount be paid?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): 1. The judgment issued by the Federal Court of Canada in 1978 allowed the appeal of the Minister of National Revenue and determined the tax and penalty by the company for the 1956 taxation year to be $972,759 and $15,354 respectively. Court costs are to be determined by the court. Interest for the 1956 taxation year to October 1978 totalled $1,352,605.

2. Further details of the company's account cannot be given because of the confidentiality provisions of the Income Tax Act.

3. Discussions have been ongoing with a view to obtaining an arrangement for payment of the outstanding taxes and interest. Details of the arrangement cannot be given because of the confidentiality provisions of the Income Tax Act.

MR. JOHN C. DOYLE—JAVELIN FOUNDRIES AND MACHINE WORKS LIMITED

Question No. 661—**Mr. Crosbie:**

What is the full amount of income tax (a) owing (b) paid to date to the Crown by Mr. John Christopher Doyle and Javelin Foundries and Machine Works Limited with respect to the taxation years 1953 to 1956 and under the various court cases throughout these years?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): The amount of taxes determined by judgments of the courts in respect of the issues before them for John C. Doyle was $1,605,197. For Javelin Foundries and Machine Works Limited the amount of taxes and penalties was $1,444,575. Further details of the accounts cannot be given because of the confidentiality provisions of the Income Tax Act.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if question No. 16 could be made an order for return, that return would be tabled immediately.

Mr. Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Is it the pleasure of the House that question No. 16 be deemed to have been made an order for return?

Some hon. Members: Agreed.

[*Text*]

CANADA-U.S.S.R.—EXCHANGE PROGRAMS—PROFESSORS AND SCIENTISTS

Question No. 16—**Mr. Cossitt:**

1. What are the names and addresses of all (a) Canadian (b) Russian professors, scientists, etc. who have been on exchange programmes of any kind with the (i) Soviet Union (ii) Canada since 1970?

2. In all the cases mentioned above, did any individual have access to the facilities of the National Research Council and, if so, which ones, on what date and in what capacity?

Return tabled.

[*Translation*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—LOSS OF CONFIDENCE IN CANADIAN DOLLAR AND GOVERNMENT POLICIES

Mr. Joe Clark (Leader of the Opposition) moved:

That this House regrets the government's refusal to give parliament a meaningful opportunity to investigate the loss of confidence in the Canadian dollar and the government policies which have reduced our currency to its lowest level in 40 years.

He said: Mr. Speaker, as you and the House will know, this is the first day available to the official opposition to discuss a matter of our choosing in the House of Commons since parliament has resumed after Christmas in the fifth and, we trust, final year of the life of this discredited and limping government.

We have chosen to direct attention today to a question of substance and a question of procedure relating to the ability of the House of Commons of Canada and the ability of the people of Canada to have revealed to them the facts and the forecasts that are available to the government regarding the state of the Canadian dollar. We would like an opportunity to hear witnesses, including some of the most credible Canadians in the land who are concerned that the policies now being pursued by this government in relation to the Canadian dollar are policies that are pushing the dollar down, adding to inflation in this country and very seriously damaging our economic prospects.

We know that today the dollar was up infinitesimally; it is now at 83.79 cents U.S. We know also that in the past two years the value of the Canadian dollar has dropped almost 20 per cent, from $1.02 U.S. to less than 84 cents U.S.

Mrs. Holt: It's good for trade.

[Mr. Speaker.]

Mr. Clark: One of the Liberal members who is departing from this House and, when the election comes, from this parliament shouted from behind the curtains that it is good for trade.

An hon. Member: It was simply Simma.

Mr. Clark: One of the Liberal members said it was simply Simma. I understand their problem. She has now turned her attention to the whole government and is no longer simply criticizing the Minister of Communications (Mrs. Sauvé).

The result of the drop in the value of the Canadian dollar has affected the daily life of every Canadian. Food, clothes and imported components necessary for production in this country cost much more money. Some of the investment houses based here and operating outside this country estimate that the value of the Canadian dollar, which has already fallen almost 20 per cent in two years, could fall as low as 79 cents U.S.

The government claims that we have a floating dollar when it knows that this is not a floating dollar at all. They know that it is very close to being dishonest to claim that the policy now being followed is a policy of allowing the Canadian dollar to float.

The government has spent $5 billion of our exchange reserves. It has borrowed almost $6 billion and has increased interest charges seven times. The governor of the Bank of Canada says that he has done everything he can on the monetary side. When asked what he is going to do on the fiscal side, the Minister of Finance (Mr. Chrétien) says he is not going to do anything at all.

[*Translation*]

I would now like to talk about what happened to the Canadian dollar and why, more important, the present situation has developed. The fact that our currency's value went down on monetary markets in the fall of 1977 was not surprising given the performance of our economy in relation to that of our main commercial partners. It was not realistic to have our Canadian dollar equal or even surpass the U.S. dollar. The economic reality required a downward readjustment and most experts were agreeing to have the level fixed at between 88 and 92 cents. But there has not been an adjustment of that kind. Our dollar has literally dropped down to 83 cents, a level never before reached since the 30s, and it dropped despite massive interventions by this government on money markets through the Bank of Canada. The economic reality does not warrant a dollar worth only 83 cents. The only explanation lies in this government's incredible incompetence in economic matters. Mr. Speaker, the 83 cent dollar is nothing else than an absolute no confidence vote in this government by the international community.

[*English*]

This government has earned that vote of no confidence by the international community by failing to meet three basic tests of economic leadership. First, its management of the dollar has raised questions about the honesty and in fact the

intelligence of this government. Either it does not know what it is doing, or it is not going to tell the truth to the people of Canada and the international community about what it is doing.

● (1530)

The Minister of Finance says day after day that the dollar is floating, yet while he says the dollar is floating he empties out our exchange reserves of $5 billion. He borrows almost $6 billion abroad and pushes through seven increases in the bank rate, all of them for the precise purpose of ensuring that the dollar does not float. Watching this contradiction unfold, the money traders in Toronto, in New York or in Zurich can only conclude that the Government of Canada is either dishonest or incompetent, or both.

Mr. Alexander: I like that last.

Mr. Clark: Second, the government has completely failed to deal with our basic weaknesses in our dealings with the rest of the world. Our weak dollar is only a symptom of much more fundamental problems—a $12 billion deficit in manufacturing trade, a deficit of more than $1 billion on our tourist account, and an even larger imbalance in the flow of interest and dividend payments to other countries. These problems require action by the Government of Canada. They cannot be solved by the Bank of Canada. All the bank can do is finance our current account deficit by ever larger borrowing from abroad. This compounds the problem. In fact, we shall have to add $1 billion more to our merchandise trade surplus this year just to offset the widening gap in non-merchandise accounts.

The government has not brought forward a single major policy initiative to deal with these problems except for the false pretence that a devalued dollar is, in itself, an answer. Surely the experiences of countries like Britain and Italy make it clear that a weak currency is no answer to anything. Our problems are much deeper than the level of our dollar and they have to be faced.

The third major failure lies in the area of growth. The government has kept the economy well below its potential. If one were to score the government, its recent economic box score could be summed up this way: budgets, 5; task forces, 22; direction, 0.

Some hon. Members: Hear, hear!

Mr. Clark: It might well be the most telling commentary on the approach taken by this government to say that the only important development in the economy has been the drop in the Canadian dollar. Having amassed the largest spending deficits in our history, the government have absolutely no plan to bring the budget into better balance. They have what is called a restraint target. What does that mean? It means that government spending would double in seven years and even that, in the words of the Minister of Finance, would only be a pause before they get on with bigger and bigger spending.

Ours is a country of enormous potential, a potential unparalleled elsewhere in the world. Yet we are heading into our third straight year of inadequate growth, with unemployment over one million and inflation of 8 per cent or more. And the response of the government is to tell Canadians to lower their sights, to get used to unemployment and higher prices. That is a recipe for disaster and it is a response which can no long be accepted.

It is well known that there is deep disagreement between the parties in this House about national economic policy. The Prime Minister (Mr. Trudeau) claims everything is just fine—there are no problems and there is no need for any major change. We in this party believe fundamental changes are needed. We have to reduce the size of government and reduce the burden the government places upon the private and productive sectors of this country.

We believe we have to put money back into the hands of individual Canadian citizens by tax cuts, tax incentives and other means which will get the country growing in line with its potential. That is the fundamental difference which exists in economic policy. It is well known. It is known to the House and it is known to the people. The lines are drawn. There will be an election. The election will be fought on that question and as a result of that election, as a result of that issue being decided, there will be a new government. And there will be an opportunity to bring some growth back into the economy.

Some hon. Members: Hear, hear!

Mr. Clark: The disagreement which exists about the fundamentals of economic policy is well known. But what we are dealing with today is a different and, because of its urgency, a more serious problem. I say this because the disagreement on the question of the Canadian dollar is not a disagreement between political parties alone. Disagreement has now become public among the small group of people in this country who are privy to the policy which is actually being followed to defend the Canadian dollar. The chairman of the board of directors of the Royal Bank of Canada, Mr. McLaughlin, deliberately made his concern public on January 11 when he dealt directly with the pretence that the Canadian dollar is floating. I will quote briefly from his remarks.

Mr. Breau: He has been replaced—

Mr. Clark: One of the hon. members opposite who specializes in talking from his seat has talked about people being replaced. He should look forward to that.

Some hon. Members: Oh, oh!

Mr. Clark: I shall quote only two passages from the words of Mr. McLaughlin:

> It is true that we officially have a floating rate for the Canadian dollar, but during the past year the float became a rather dirty one. Ottawa maintained that the Canadian dollar was being left to find its own level on the market. That is the essence of a clean float, with intervention only to prevent too great a movement either way, over a very short period. But what Ottawa said and what Ottawa did seemed to be two quite different things. In my view, this has been part of the reason for the fall in the Canadian dollar.

In other words, to make it clear, part of the reason that the Canadian dollar has fallen has been inconsistency between what the government said it was doing and what it has in fact been doing. It is the policy and the duplicity of the government which have driven the value of the Canadian dollar down.

Again, Mr. McLaughlin said:

> But surely the experience of governments around the world has shown that any currency defended at a level other than what the market says it should be must inevitably end up at the market level anyway. Government support is not only ineffective but frequently counter-productive.
>
> Certainly last year the defensive efforts of the govenment had, in my view, a reverse effect. This support probably pushed the Canadian dollar down.

That is the view of the chairman of the Royal Bank. That was his public testimony and, as we in the House of Commons know, he was saying publicly what countless other Canadians expert in this field have been saying privately. There is direct and widespread disagreement with the policy being followed by the government to support the Canadian dollar. There is a widespread view that this policy is, in Mr. McLaughlin's words, "probably pushing the Canadian dollar down."

We know that the dollar continues to drop. We know that every drop in its value adds to inflation in this country. We have a right to know why the government is pursuing a course which has so obviously failed. We have a right to know what forecasts, what expertise in possession of the government, can justify a policy which, on all the evidence, is failing miserably. But this information is not available to parliament and to the people of Canada. Questions put in this House are evaded or else they are not understood.

When the governor of the Bank of Canada appeared before the standing committee, his answer to Mr. McLaughlin's charge was simply: "Mr. McLaughlin is wrong." Nothing more. There was no explanation, no defence. When the minister appears before that committee he is deliberately protected from questioning by Liberal members who ask about everything else, and then he is further protected by a Liberal deputy chairman who tries to deny the official opposition their right to ask questions.

Some hon. Members: Hear, hear!

● (1540)

Mr. Martin: Mr. Speaker, I rise on a point of order. Reference has been made to proceedings before a committee of this House at which the Leader of the Opposition (Mr. Clark) was not present, and it seems to me there should be an opportunity for the chairman of that committee or someone on his behalf to make a response. Incorrect information is being placed on the record.

Mr. Speaker: Order, please. The contributions to the debate which ensue this afternoon can take the form of any intervention which may be desired. The Leader of the Opposition (Mr. Clark) has the floor.

Mr. Clark: Thank you, Mr. Speaker. If the deputy chairman wants to have an opportunity to participate in this debate, perhaps he should consult his superiors in his party to see if he can get on the list of speakers. Or perhaps the view of the Liberal party in relation to members of that committee is that none of them should be heard on any circumstance at all. Perhaps that view will prevail and this deputy chairman will be denied his right to make a point, just as members of my party were denied their right to put questions in the standing committee.

Mr. Leblanc (Laurier): You are not being fair, Joe.

Some hon. Members: Oh, oh!

Mr. Clark: There is a parliamentary secretary opposite who is very nervous. I am not surprised about that. Anyone who has to serve as parliamentary secretary to this Minister of Finance, when we have an economic policy which has driven the dollar down and the rate of inflation up and which is driving the unemployment rate up, deserves to be nervous.

Some hon. Members: Hear, hear!

Mr. Clark: What is clear to all the world and even to the very nervous parliamentary secretary is that the present government policy is not working at all.

Mr. Martin: Nonsense.

Mr. Clark: The hon. parliamentary secretary says "nonsense" because the dollar is up to 83.79 cents today. It has dropped 20 per cent in two years.

Mr. Martin: Nonsense.

Mr. Clark: The parliamentary secretary continues to speak from his seat. Is he arguing that the Government of Canada has deliberately driven the dollar down, or has it simply fallen down because of the inadvertence of this government? Is he arguing that it is the deliberate policy of this government to allow more than a million people to be out of work in this country? Is the parliamentary secretary arguing that it is the deliberate policy of this government to have the dollar drop in such a way as to increase inflation?

Mr. Baker (Grenville-Carleton): It is no wonder he speaks from his seat.

Mr. Clark: There is a very real question as to whether the policy being followed is deliberate or accidental. Most of us think this government does not know what it is doing. Most of us think that is the reason the government refuses to let evidence be public, that that is the reason it put a gag on the standing committee and that is the reason it keeps forecasts secret and refuses to allow witnesses to come before committees so that they can be examined and we can have the benefit of their expert testimony. We think this government does not know what it is doing. We think that the international community, whose decisions affect the value of the Canadian dollar, has also come to the conclusion that this government has no idea what it is doing, and that is adding significantly to the uncertainty which exists both in the international community and here at home. That is another factor which is reducing the

value of the Canadian dollar month after month and day after day.

This question of confidence is very important because if the government continues to pretend that there is no problem and everything is fine when the dollar drops month by month, and if the government continues to pretend that we have a floating dollar when that float has to be supported with billions of dollars, confidence in the Canadian economy will be reduced even more than it has been.

Part of the enemy is a failure of policy, and I intend to come back to that later in this debate. But part of the enemy also is uncertainty about what this government is going to do. The government should surely understand by now that secrecy creates uncertainty, that a pretence of a float creates uncertainty, that a failure to explain policy or a refusal to answer legitimate criticisms all create deep uncertainty, and that that kind of uncertainty will drag down the Canadian dollar deeper and deeper.

That is precisely why we have been seeking a full-scale parliamentary inquiry into this situation. An inquiry would allow us not only to hear from the governor of the Bank of Canada and the Minister of Finance, when Liberal members allow questions to be put, but it would also allow us to examine the testimony of Mr. McLaughlin and other experts and representatives of investment houses and banks.

We need an opportunity to make public some of the evidence which exists in relation to the effectiveness or the failure of the policy which is being followed. As a parliament and as a people we must also examine publicly some of the other policy options which are open to us. Perhaps we should be considering special export mechanisms like the DISC program introduced in the United States when its balance of payment deficit proportionately was only one third as large as ours. We certainly should be reviewing sectors where our own domestic economy is very heavily dependent on imports to see whether there are ways—whether through special "buy Canadian" programs, temporary import surcharges or other mechanisms—by which we can encourage more substitution of imports by Canadian-made products. We should also be examining ways to improve our tourist account, offer new incentives to attract foreigners to Canada, more effective packaging of Canadian travel for Canadians and perhaps examine some existing proposals to allow Canadians to spend their own money while winter vacationing in the sun.

Unfortunately, this government refuses to face up to the problem, and so it does not want parliament to examine policy options. Canadians are left to suffer the price of the weakest dollar in more than 40 years and the risk that it will drop deeper, dragged down by the uncertainty this government's attitude engenders.

I want to deal with some of the substance of the problem we face now. I think it is agreed by people who know the situation Canada faces that the Canadian dollar will remain vulnerable to downward pressure as long as there is a large current account balance of payments deficit. Canada has suffered current account deficits averaging $4 billion in each year from 1975 to 1978 inclusive. Since 1976 the trend has been upward. Forecasters expect a larger current account deficit in 1979 than in 1978. The problem is not getting cured, it is getting worse, and the reasons are clear. The deficit on trade in services has been growing by an average of $1.1 billion a year for the last four years. Even under the most optimistic of assumptions, the growth of that deficit will continue to be very significant in the future.

As I said earlier, just to keep the current account deficit from increasing the merchandise surplus must grow by $1 billion per year. Despite devaluation, the surplus did not achieve that growth in 1978. Most private sector forecasters do not see a $1 billion improvement in the surplus in 1979. Even though Canada is achieving record merchandise surpluses, these surpluses are simply not adequate to stop the current account deficit from rising, let alone reduce it.

The government has offered no forecast which indicates that the current account deficit can be reduced in the medium term. I understand that the Minister of Transport (Mr. Lang) will be replying later. Perhaps he will give us that and other forecasts. Thus the government can provide no evidence which suggests a more stable dollar in the future, and even if Canada were to achieve a series of quite remarkable improvements in merchandise trade over the next five years, we have no indication at all whether our trading partners will tolerate sustained large Canadian merchandise surpluses.

[*Translation*]

The devaluation of our Canadian dollar these last 27 months had a greater impact on the Canadian economic performance, for better or for worse, than any budget put forward over the last four years. Although a number of exporters praised the admittedly stimulating nature of devaluation, both importers and consumers suffered from a lower dollar. When we realize the scope of the devaluation, we are amazed at the lack of discussion of the consequences.

The Minister of Finance usually supplies forecasts of the impact of his proposals. The minister for instance did forecast that the sales tax reduction at the retail level would lower somewhat unemployment. He predicted the reduction in the manufacturers' sales tax would reduce inflation by 0.5 per cent. These programs had minor impact relative to devaluation, but there is no government member who is not ready to give details on the pros and cons of devaluation. What is the actual and forecasted share of devaluation in the inflation rate? In terms of stimulation, what is the Canadian dollar devaluation worth? Would a still lower dollar generate sufficient merchandise trade surplus to reduce the current deficit in the current accounts?

● (1550)

[*English*]

Those are some of the questions that have to be asked but which the government refuses to answer. When one looks at the strategy that has been followed by the government to defend the dollar, one finds there are three main elements:

first—my colleagues will be discussing this later—there have been higher domestic interest rates; second, there have been immense federal borrowings abroad; and third, there has been the utilization of large amounts of foreign exchange reserves.

These three do not represent by any means all the tools available to defend the dollar. There are others available, and the parliament and the people of Canada have a right to know whether the others are being considered, and if they are not, why not. And if they are being considered, is there an intention to introduce them and to modify them?

There are a number of other measures available. Let me enumerate some of them that should be considered by a government that is serious about maintaining the strength of the Canadian dollar. Is consideration being given to currency swaps with central banks of other governments? Is consideration being given to borrowing from the International Monetary Fund? Is consideration being given to the revaluation of Canada's gold reserves? Is the government considering reductions in the rate of monetary expansion which we have seen in this country? Is any consideration being given to raising the chartered bank secondary reserve ratio? Is consideration being given to seriously reducing the growth rate of federal spending? Is the government giving any consideration to placing temporary import quotas on non-essential goods? Is there any consideration being given to reducing the duty-free exemption for returning Canadian travellers?

Those are only some questions, and the list is by no means inclusive. Many of these mechanisms may be completely unacceptable to the government. All of them involve costs to the Canadian economy. But let us be clear about this: so does the current interest rate policy involve costs to the Canadian economy; so does the current falling of the Canadian dollar; and so does the current rate of inflation, fed so much by the devaluation of the dollar.

What this parliament has the right to know and what the government has an obligation to set forward is what are the relative costs to the other instruments that might be available, and why is there no serious public consideration of other means that might prove more effective than the means that have clearly failed to support the Canadian dollar?

[*Translation*]

Mr. Speaker, I referred to the matter of interest rates and although this government seldom does anything sensible, there is nothing less sensible than their determination to increase interest rates to record levels. That idea of theirs has led to the most expensive monetary policy in this country's history.

We are told the government has no choice, they must maintain interest rates above those in the United States. In suggesting this the government forget there were times in history when interest rates were in lower Canada than in the United States, without undue harm to this country. But more important still, this government admits Canada has no choice and must be a follower rather than a leader, whatever the consequences for Canadians and our own economy.

[*English*]

These alternatives that I have listed have to be considered. Will the Minister of Transport, when he rises in his place today, explain to the people of Canada and to parliament why these alternatives I have listed are not acceptable, whether they are being considered, and if so, whether there is any intention to follow any of them?

In his appearance last week before the standing committee, the governor of the Bank of Canada said that he would not recommend them. That is his judgment, and his judgment, of course, has credibility. But there has been no explanation as to why all other alternatives to a policy that has failed are unacceptable.

[*Translation*]

Mr. Speaker, it is essential in my view that we obtain either here in this House or in our parliamentary committees a much more in-depth and precise explanation than we have been provided with up to now.

[*English*]

That, Mr. Speaker, is the problem of policy, but there is also the very serious problem of secrecy. Secrecy has become a way of life with this government. It is the most secretive government in the western world—

Mr. Speaker: I regret to interrupt the Leader of the Opposition (Mr. Clark) but I think he will observe that his time has come to an end. I thought perhaps he was concluding, but then I realized he was opening another subject. I do not think he can carry on now without the consent of the House. It is the usual 30 minutes time limit. It expired a minute or two ago but I did not want to interrupt him at that time. Perhaps he could indicate now whether he proposes to conclude or whether he wishes to seek the consent of the House to continue.

Mr. Clark: Mr. Speaker, I would propose to conclude, if I might be given a minute to do so, and I will try to take no more than that.

I had intended to elaborate somewhat more the problems of secrecy posed for this process by the government, particularly in light of the fact that eight years ago we had a recommendation by a committee of the other place that would have led to a much more extensive public discussion of economic questions. I wager to say that had the advice of the other place been accepted, had there been a tradition of openness for the last eight years instead of the tradition of secrecy which we have seen here, we would not be facing a problem with the value of the Canadian dollar as acute as the one we now face.

While it is fundamentally important that the government change a policy that is leading us to deeper and deeper trouble with the Canadian dollar, it is also fundamental that this government abandon its practice of secrecy, that it stop putting obstacles in the path of inquiries by committees of the House of Commons and allow witnesses to come and be examined; that it allow all the truth to be told about the state of the Canadian dollar and the options that are available to the government and the governor of the Bank of Canada that

could reverse the sinking trend that has marked the Canadian dollar for the last two years.

Some hon. Members: Hear, hear!

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I should say, first of all, that I am rising to speak in the absence of the Minister of Finance (Mr. Chrétien) who accepted some time ago an engagement to speak at the prestigious Council of Foreign Relations in New York. I regret that he is absent and I regret particularly that the opposition has rushed to put this motion on the order paper in his absence when he could not confront the Leader of the Opposition (Mr. Clark) in the appropriate way.

Some hon. Members: Oh, oh!

Mr. Lang: I know they were saying that of course they had to do it because it is such an important question to put before the House, but then I know they did not put a votable motion before the House but simply one for debate. I suppose that in view of the fact that, as the Leader of the Opposition said, they have one matter of substance and one matter of procedure in their motion—and they are wrong in both of them—they might have expected to lack the support of the House if a vote had come about.

There was some rumour that the Leader of the Opposition was not going to be here. When I saw that he was absent during the question period and beyond it, I thought that was true, but I gathered what was happening was that the Leader of the Opposition and the hon. member for York-Simcoe (Mr. Stevens) were trying to decide whether to deliver a long deficit speech or a short deficit speech.

Some hon. Members: Hear, hear!

Mr. Lang: I am sure the Leader of the Opposition will have heard of the Book of the Month Club. Obviously there are no economic books in that club and he has not read many others, but the Book of the Month Club is well known. However, the "deficit for a month club" created by the hon. member for York-Simcoe is something new.

I notice that the Leader of the Opposition is here and I am delighted. I also notice he did not go into the question of deficits and left us wondering what his policy is in that regard, even though I should have thought that in his spirit of openness he would have revealed to the country at this important stage what his thinking really is so that we get a view of what this self-styled prime minister-in-waiting would do as the leader.

An hon. Member: Now you are getting the message.

Mr. Lang: I am not sure that that self-styled leader would have set many minds at ease by telling us what his policy is because, after the Leader of the Opposition spoke about the fact that he would go for an even higher deficit for two or three years, that that was his method of bringing deficits under control, we had the only example I know in history when a senior spokesman for the party indicated on that same subject matter that his leader was not speaking for the party in giving those opinions to the people of Canada. The hon. member for York-Simcoe (Mr. Stevens) indicated that it would be only for perhaps a month or two, that they were not quite sure. Then I think the Leader of the Opposition said, "Maybe even five minutes".

• (1600)

I am delighted the Leader of the Opposition read a speech which contained some economic questions. It did not contain any suggestion of answers, which of course is not surprising. At least the Leader of the Opposition was here today. He was not before the committee. He made his grandstand in the House demanding that Governor Bouey of the Bank of Canada come before the committee, but the Leader of the Opposition was not there to put his questions.

Some hon. Members: Hear, hear!

Mr. Lang: The hon. Leader of the Opposition could have asked these very questions, and if he was not satisfied with the answers of the governor, he could have cross-examined. The hon. Leader of the Opposition admitted that the governor of the Bank of Canada made a telling case in support of the policies in place relating to major monetary and fiscal questions, yet he did not appear before the committee to put questions.

Also the Leader of the Opposition indicated that in the spirit of openness he would have liked other witnesses to appear before the committee. I have been told by members of the committee and the steering committee that they knew of no case where the opposition asked for certain people to be called before the committee and their request was refused. It is the lack of putting requests for witnesses which is troubling the opposition and their leader, rather than any lack of openness on our part in this regard.

Some hon. Members: Oh, oh!

Mr. Lang: The Canadian dollar—

An hon. Member: —has just fallen again.

Mr. Lang: Earle McLaughlin said that the Canadian dollar will in many ways reflect an international judgment about its value. Over any prolonged period of time obviously that is true. Over any short period of time obviously it reflects the moves and opinions of those who speculate in the market. One of the most serious indictments of the official opposition is the irresponsibility with which it has engaged in the debate on our currency and economy, without regard to the fact that those outside the country might make the mistake of treating the Leader of the Opposition and the hon. member for York-Simcoe as being somewhat responsible and therefore rely upon their statements and figures.

When the Minister of Finance said that the deficit would be $11 billion, the Leader of the Opposition made the bald statement that it would be $15 billion to $18 billion. The

Leader of the Opposition is being irresponsible when he makes such a bald, unfounded statement. The trouble is that people outside the country may not know how little attention they should pay to the Leader of the Opposition when he makes such statements.

Some hon. Members: Hear, hear!

Mr. Alexander: When has the Minister of Finance (Mr. Chrétien) ever been correct on any forecast?

Mr. Lang: The governor of the Bank of Canada told the committee what everyone in the House and the country should know concerning the question of the value of the dollar or any currency. He said that people react to every bit of news around; they react to every bit of news about possible separation or anything one would like to see. He indicated that people would react if someone irresponsibly said that there will be foreign exchange controls.

On February 3, the hon. member for York-Simcoe was quoted in the Toronto *Star* as having heard in Ottawa that there was a government contingency plan on controls. That was completely false, completely irresponsible. Even if the hon. member had real knowledge about such a matter, as a responsible member of the opposition he should have avoided saying so.

Some hon. Members: Oh, oh!

Mr. Lang: Without the facts to support it, he made a statement which had impact upon the Canadian dollar.

Some hon. Members: Oh, oh!

Mr. Lang: At the present time many Canadians believe that the Canadian dollar is undervalued. At the time prior to the election of the separatist government in Quebec, many Canadians felt that it was overvalued. At that time we were going though a series of fairly high wage settlements, and we were deeply concerned about the impact upon our productivity and competitiveness. We reacted with a program of wage and price controls which turned the corner on that inflationary spiral. As we emerge from controls and are moving into lower figures of inflation, we know we must continue restraint in wages and prices to keep competitiveness under way.

One of the serious matters faced by the country which has an impact upon the value of the dollar and the confidence of investors is the existence in Canada of a separatist government espousing policies to change the entire economic framework of the country. The uncertainty surrounding that fact was not improved when the Leader of the Opposition indicated that he would negotiate a sovereignty association with the government of the province of Quebec; the Parti Québécois were dancing in the streets of Quebec. Perhaps later the hon. Leader of the Opposition was not sure whether that was what he said, but he did not deny saying it. The hon. member for Rosedale (Mr. Crombie) knew that his leader had said it and repeated it until it was clear to every Conservative member that such a policy was unacceptable; then it was rejected. What I am highlighting is the irresponsibility and complete lack of control by the leader of the Conservative party over what he says, over his partners in specific areas of responsibility in that party, and the damage it can do.

The Leader of the Opposition did not speak about his deficit. Once again he talked against the federal deficit. He pretends to see a way of cutting 60,000 public servants which he thinks will save some money. However, he talks about a bigger deficit to stimulate the economy. Why did the Leader of the Opposition put himself in that position? It was because it was put to him that he had, in his various perambulations and speeches, promised income tax cuts of $2 billion immediately and a mortgage deductibility plan of $4 billion over three year. Incidentally, that plan can be dressed up as an attractive tax reduction, but it will benefit the rich more than the poor. It is pure fraud and deceit if it is not accompanied by some word concerning from where the money will come to make up the $4 billion in mortgage deductibility. Were will the money come from?

The hon. Leader of the Opposition likened his program to the American one. Canadians should take note of a warning concerning his proposed program: in the American program a capital gains tax on homes is in place. Perhaps that is where the hon. Leader of the Opposition has in mind getting the funds. The government would not support that policy in any circumstances.

Mr. Gillies: That is not a fact.

Mr. Lang: On January 8 the hon. Leader of the Opposition appeared on a CTV program. He was asked the following question:

> You talk about $4 billion over three years on a mortgage deductibility with $6 billion in other tax cuts. How are you going to get over this deficit?

The Leader of the Opposition answered as follows:

> The basic question is: how do we get over the deficit? You get over a deficit two or three years from now by having a slightly larger deficit now. There is no way around that.

That is what started the business of who said what.

Mr. MacEachen: Then we heard from Darcy McKeough.

Mr. Lang: As the Deputy Prime Minister and President of the Privy Council (Mr. MacEachen) said, the well known Conservative, Darcy McKeough, the former treasurer of Ontario, said:

> I sincerely trust and hope that my national leader, Mr. Clark, and his advisers have been misquoted when they talk about the possibility or desirability of bigger deficits.

● (1610)

The hon. member for York-Simcoe did not wait. He told the press immediately that what the hon. Leader of the Opposition (Mr. Clark) meant was that there would be a deficit for maybe two or three months, and we have not been told how it is going to work. In all this openness which they want there is this phantom deficit with no information as to how it will work.

The Leader of the Opposition asked a few questions about possible measures which he, presumably, might put in place. I do not know why he would ask if he did not mean to say that he would put them in place. He has some possible measures to remedy the situation. He says, "Maybe we should look at special export programs". Does the Leader of the Opposition not realize that the dollar at its current level is one of the greatest spurs to the export of Canadian goods? We are seeing that in terms of the improvement in practically every sector of our economy, and as a result we have a $3.5 billion surplus in trade for this country.

Some hon. Members: Hear, hear!

Mr. Lang: The Leader of the Opposition insists on referring to a deficit of $11 billion in what he calls manufactured products. He insists on referring only to the end product figure and ignoring, as my colleague the Minister of Industry, Trade and Commerce (Mr. Horner) has pointed out, such manufactured list goods as steel, cement, paper and lumber which move out in a form that does not put them in the end product category. But when those products are taken into account we are in a surplus position of $3.5 billion rather than a deficit position of $11 billion.

I have not, nor has the Minister of Finance, ever made light of the kinds of problems which face this country in a troubled world. But I think it is fair to say that the Leader of the Opposition does a real disservice when he sounds off about a deficit under the heading of manufacturing by using an end product figure to obtain a deficit, when the figure in terms of manufactured goods as a whole shows a surplus of $3.5 billion. That is important news of the kind which the governor of the Bank of Canada, if the Leader of the Opposition had been in committee to hear him, would say might have a good impact upon the whole economy and our dollar rather than a bad effect, as do the kinds of wild statements made by members opposite and by the hon. member for York-Simcoe in particular.

The Leader of the Opposition in this case follows the hon. member for York-Simcoe. I thought when I heard the hon. member for York-Simcoe say that that he would have a different view from the Leader of the Opposition, in keeping with their current practice, but I guess, as somebody phrased it, it is tweedledum and tweedledummer. I would have thought that when I heard the hon. member for York-Simcoe suggest that we go for a temporary import surcharge or some form of import duty, we would at least have heard a westerner, who should remember something about what tariffs do to our whole economy, rebuke his colleague for saying such a thing. But he would actually suggest temporary import charges at a time when our dollar value has made it easier for our goods to compete at home and abroad. He would do so in the face of some worrisome words in our friendly country to the south that they may think of a similar measure when they have as serious problems or more serious problems than ours in terms of balance of payments.

An hon. Member: They are thinking about it.

Mr. Lang: If they are thinking about it, then surely it is in our Canadian interest to resist that, as the Prime Minister (Mr. Trudeau) will do in the highest circles of the world in keeping with an agreement made by the leaders of the seven countries that they would do everything they could to keep away from restraint measures and attempts simply to back the unemployment or developmental problems of one area into another. We want an open world with freer and freer trade and no temporary measures which would restrict that trade either within our country or outside it.

The hon. Leader of the Opposition and the hon. member for York-Simcoe are also guilty of misleading language when they use the expression that money is spent in connection with the defence of the Canadian dollar or action in relation to the Canadian dollar. It is transformed from one form of dollar to another—from American dollars in our hands to Canadian dollars—traditionally when we are guarding against uneven movements in a downward direction, and back the other way—from Canadian dollars into American dollars—when we are guarding against uneven movements in an upward direction. That policy of trying to use the currency exchange reserves in order to even flows and avoid fast movements is clearly very important.

This country is by and large in excellent economic shape.

Some hon. Members: Hear, hear!

Mr. Gillies: Let's go to the people on that one.

Mr. Alexander: When is the election, Otto?

Mr. Lang: We continue to have a serious challenge on the employment front where we are trying to spur the economy as much as possible to provide jobs, and we are providing jobs now at a year over year rate of 450,000, a rate which outdistances any other country in the world.

One might ask what does 450,000 jobs mean? Is it a large figure or is it a small figure? If one compares it to the actual growth in our population of 205,000 over that same 12-month period, it is quite significant. As a result Canadians are on average and individually—

Mr. Alexander: —getting sick of this government.

Mr. Lang: —better off in their standard of living day by day, week by week and year by year, even in the challenges we face in this economy of ours in a difficult world. That is why we see more Canadians travelling generally, but particularly travelling abroad, and that is why it contributes to our balance of payments problems as well. It has not been the policy of this government, and we would avoid such a policy, to restrict Canadians in how they invest or travel. We do encourage them to travel in Canada and to buy in Canada. The hon. Leader of the Opposition has said that perhaps we ought to do that. Perhaps he has not noticed that we have designed to do that, that we have a tourist program specifically designed to attract more and more Canadians to travel in this country.

Mr. Crosbie: Like Trudeau to Colorado.

Mr. Lang: We believe in doing these things on the basis of encouraging Canadians to take a certain course of action and not on the basis of falling back on restrictionist controls and power devices such as the Clark Tories suggest. That is not our policy. Our Liberal policy is to be as free and open in our society and our economic endeavours as it is possible to be.

Mr. Crosbie: Like freedom of information in Saskatchewan.

An hon. Member: Get an injunction, Otto.

Mr. Lang: Hon. members opposite, Mr. Speaker, were glad to hear the Leader of the Opposition quote Mr. Earle McLaughlin, although I am sure they did not like what he said a few weeks or months ago when he also indicated how firm his belief was in the basic soundness of our economy. Perhaps they would like to hear the last group of quotes which have come into my hands. Mr. Powis, president of Noranda Mines, said:

One of the most striking things about the meeting—

He was referring to a meeting of businessmen.

—was the degree of optimism, more than most of the forecasts.

The *Financial Post* said:

Canadians rank remarkably high in affluence in a world more troubled than we. The time has come in other words to count blessings.

Mr. Laurent Thibault of the Canadian Manufacturers' Association said:

You talk to any company you want to, they're growing, markets are good, inventories are lean, profitability is improving, they can compete.

● (1620)

The president of the Hudson's Bay Company, Donald McGiverin, said:

The economy is pretty darn good really.

Canadian Business Magazine wrote:

The fact is we're still operating one of the most successful economies on earth.

The facts are there, Mr. Speaker. In the face of those facts the Leader of the Opposition is not sure today whether he wants a stronger dollar, a higher dollar or a lower dollar. His colleague, the hon. member for York-Simcoe has given us some advice about what level he thinks is right. The truth of the matter is that the dollar will reflect in part the judgment of the day of traders in currency and traders generally in this country.

I pointed out earlier that in that complex of figures in relation to trade and in relation to the balance of accounts it is also true that wild statements and rumours made by spokesmen in the opposition can have their impact as well. They cannot have lasting impact because they will be exposed, but they can have that impact which is the most serious—which causes a sudden surge up or down in the currency. A stable currency is obviously relatively to be desired at whatever level it may appropriately be.

Where ought our Canadian dollar to be? I said earlier it was generally agreed that prior to the November 15, 1976 election of the Parti Québécois it was overvalued. It is generally agreed now that on all terms, and related at least to that very fact of a separatist government, it is undervalued.

Mr. Alexander: I was told that separatism was dead.

Mr. Lang: The most important thing is for us to confirm what the hon. member for Hamilton West (Mr. Alexander) has just said about separatism being dead—

Mr. Alexander: That is what the Prime Minister (Mr. Trudeau) said.

Mr. Lang: —in the sense that it is in hand and under control.

Hon. members opposite and the Leader of the Opposition smile. They do not realize that the Parti Québécois was not elected because it said it was going to separate from this country and was determined to do so. It could only get elected because of the strong feeling of federalism in the province of Quebec. It was only elected after it gave up that plank and turned instead to a referendum on independence. That was changed to a referendum on sovereignty association because René Lévesque hoped that people in Quebec might be sucked in by those words; but the only person he seemed to suck in was the Leader of the Opposition who did not know how serious those words were.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please, order. The Minister of Transport (Mr. Lang) has the floor.

Mr. Lang: Why can one say with confidence that separatism will not succeed in this country?

Mr. Gillies: Because we are going to have a new government.

Mr. Lang: There are some who would say it in terms of a question of the force of power, but that is not the way we talk. The reason one can say that the strength of federalism exists and is strong in the province of Quebec and other provinces is because of the long, determined efforts by this government to lead a right thinking majority of Canadians along the path of understanding the needs of the minority, whether it be in regard to their culture, in regard to Atlantic regional development, or whatever. That is what will sustain our federalism and this great Canada of ours.

It is only this continued understanding, this continued searching out of the rights and needs of the minorities and the sensitive understanding of their needs, which will prevent the cause of any kind of separatism from growing. It is that kind of understanding which we have seen in the governments of this country, particularly after the challenge became visible and real from the province of Quebec, the kind that we saw in the leadership given by Prime Minister Pearson in searching out the causes and the answers to the problem. We have seen it

in the sensitivity of the programs of this government under the leadership of the Prime Minister.

Liberals throughout this country promote the view that minority interests must be respected and put in place in terms of our laws and our structures. That is what in the end will win over any threat of separatism in this country. That is what in the end will restore confidence on this vulnerable question of separatism, without having in the short run a great deal to do about it in terms of convincing those abroad that the threat is in hand.

Mr. Alexander: You had ten years to do all of this.

Mr. Lang: Mr. Speaker, what the Leader of the Opposition ignores is the exact value of a dollar to those who export, because exports reflect higher costs which may have been built into our wage and price structures. Certainly the fishermen of this country should bless the Minister of Fisheries and the Environment (Mr. LeBlanc) for the 200-mile limit and for prosperity in their industry.

Some hon. Members: Hear, hear!

Mr. Lang: They are benefiting by the price they get for their fish today compared to other costs they have to incur in Canada. The Saskatchewan farmer and those throughout the prairies and other regions of this country benefit when they export agricultural products and receive 45 to 50 cents more per bushel of wheat because of the change in the value of the dollar.

Those, Mr. Speaker, are real reflections of the need there was in Canada for an adjustment to the dollar, having regard to our wage and price levels which have gone too high. Those were the needs which were faced with wage and price controls and which are now being faced with ongoing programs to try to ensure that restraint by those who would take too much out of the economy is the order of the day.

Many spokesmen in the real world have said how well our economy is doing when compared to other countries. In the years to come when the separatist threat is put behind us that fact will stand us in good stead in the kinds of jobs we continue to promote and in the continued growth of the economy.

No motion lacking in substance and wrong on the procedural issue which may be put forward by the Leader of the Opposition can conceal the fact that a great deal has been going right with the economy of this country when considered against the background of a world which has been and is troubled. This government will continue to move toward policies which are free and liberal and which give people as much freedom as possible in the management of their own affairs, their decision to travel, that give as much freedom—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the Minister of Transport but his allotted time has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, we have just had a walking and talking illustration of what is wrong with this country by the minister of almost everything—the Minister of Transport (Mr. Lang), the minister of the wheat board, the minister of justice, the minister of manpower, employment and immigration. He is minister of everything but master of nothing. The minister has just lectured us and I will try to put what he said in reasonable terms. I followed with great care the brilliant, sophisticated reasoning just presented to us. Apparently the fact that hamburger costs $2 per pound, that interest rates stand at 11.25 per cent, that the dollar is down to 83 cents, and that gasoline costs over $1 per gallon has absolutely nothing to do with this government. This is to be blamed, on the one hand, on the opposition or, on the other, on René Lévesque.

Some hon. Members: Hear, hear!

Mr. Broadbent: It was a real tour de force, a put up job by a former dean of law. In my view, the reason for the election of the PQ government was because the people of Quebec, like the people of Canada, got sick and tired of a Liberal government.

• (1630)

Some hon. Members: Hear, hear!

Mr. Broadbent: That is the reason. A few years ago a man named Bourassa from the province of Quebec took the same attitude that this government is now taking with Canada as a whole, specifically that everything they do is right. Whatever problems emerged, Mr. Bourassa blamed the provincial separatists for them, he did not blame his own government. This is the same attitude that the federal Liberals are now taking by putting the blame on the opposition. I notice the minister, with his characteristic modesty and consideration of the opposition, has just left the chamber.

Some hon. Members: Shame!

Mr. Broadbent: If there is anything that a Liberal cannot stand to hear, it is the truth.

Some hon. Members: Hear, hear!

Mr. Broadbent: Whenever it hits them in the face they leave.

His was an incredible performance. I want to say to the minister that he has convinced his backbenchers if no one else in the country.

Mr. Paproski: They have gone also.

Mr. Broadbent: The subject matter of the motion I thought we were debating was associated directly with the problems of the Canadian dollar. I had hoped to hear, particularly from the minister who was filling in for the Minister of Finance (Mr. Chrétien), some solid defence of the principal instruments that the government has seized upon to prop up the

dollar. There are two of them and I will come to them in a moment. They are serious in the financial and real world that Canadians are living in now. But we heard nothing. We heard noting in defence of the government's policy. All we got was a little forerunner of the Liberal party's election campaign which suggests that all of the country's problems are to be blamed on everyone else instead of upon themselves.

The Leader of the Opposition (Mr. Clark) at one point in his comments today—and on this I agree with him; anything I do not agree will I will come to later in my remarks—said very correctly that the real problem of the Canadian dollar is not to be attributed to interest rates or some other minor aspect in an over-all monetary or financial policy, but to the performance of the Canadian economy as a whole. That is the problem.

The reason we have a strong Japanese yen, a strong West German mark and a strong Swiss franc is that we have strong Japanese, Swiss and German economies. In these countries and others there are governments which are seriously committed to national economic performance. Canada is in trouble today and has a weak Canadian dollar because we have a weak Canadian government, that has no sense of purpose.

Some hon. Members: Hear, hear!

Mr. Broadbent: That is the reality.

There are two principal instruments in dealing with this 83 cent dollar that have been applied, on the one hand, by the Minister of Finance and, on the other, by the Bank of Canada. I want to deal with them because every now and then it is appropriate for a politician in Canada to deal with a matter of substance and say where he and his party stand on the issue. The two instruments that the government has seized upon are interest rate tinkering and borrowing money abroad.

In a matter of months we have gone from an interest rate structure of 7.5 per cent to 11.25 per cent. One direct result of this policy has not been a good one. What impact has occurred as a result of jacking up the interest rate in this way? If I remember correctly, seven times in the last year we have had an interest rate increase. This was effected by the Bank of Canada with the full support, policy, and I am sure direction, of the Government of Canada. The negative effect has caused interest rates to increase and Canadian businessmen have been affected. This meant Canadian businesses could not expand and provide more jobs which are badly needed.

Second, mortgage rates have increased. This meant that Canadian families who wanted to buy homes have not been able to get a home at all or have had to pay much more for it. This has resulted in restricting consumer credit. Consumer credit costs were increased along with the bank rate. In each one of these instances, either interest rates for businessmen, consumer credit or mortgage rates, the effect has been negative, not positive, on the Canadian economy. The effect has been a generation, not a reduction, of the pressures of internal inflation.

I doubt whether the Minister of Finance—although I am stretching a point here—the minister who has just spoken would deny these negative effects, but they would say, however, there have also been positive effects. They would say the interest rate upward pressure, which we think is a fundamentally faulty policy and ought not to have been embarked upon, was needed. Why? To attract investment into Canada and to make up for the outflow of capital.

What has happened during the period we have had this upward pressure on interest rates? In 1978 it did not work. That is a simple reality. In the past year, not coming in but going out of this country, there was some $2 billion of investment capital by Canadian firms. What were these firms investing in? Most of the money was going to the United States. It was going to the country which for most of that period had lower interest rates. If interest rates were a prime consideration in terms of attracting capital, then obviously it would not have been going in that direction. And why does a country like Switzerland, which had much lower interest rates than Canada throughout this period, get all the foreign investment it wants?

I will come to the different question of whether we want it in a moment, but first I want to deal with the argument that it has been effective. It is the government's position and that of the Bank of Canada that we needed to have these higher interest rates—admitting it was harmful in terms of domestic inflation—because we had to get this investment capital. In Canada we are now experiencing a net outflow of capital; it is not coming in. Countries that wanted investment, like Switzerland and the United States, have had lower interest rates than we have, yet they have been attracting and getting investment capital for what I regard as the central economic reason that investors had more over-all confidence in the performance of their economies. That is the reality.

The other method of propping up the dollar used by the government and the Bank of Canada has been to borrow directly abroad and to issue new bonds. The reality of this in terms of its effects has been even more alarming as an illustration of faulty economic policy. The Bank of Canada borrowed a total of $3.5 billion abroad last year, $2 billion in loans and $1.5 billion in bond issues. We estimate that the direct cost to the Canadian taxpayer of borrowing this money abroad last year was $268 million. That money has gone; it has gone forever. In addition to that cost, as a result of the additional $1.4 billion which was borrowed in Canada by the Canadian banks the total outlay for Canadians for this faulty policy is some $378 million. That is more than $1 million a day which this government has spent in propping up the dollar. This is more than $1 million a day which my party would argue could have been much more sensibly spent in restructuring and rebuilding a manufacturing sector in Canada that could be generating more jobs.

Some hon. Members: Hear, hear!

Mr. Broadbent: There are two brief but cogent arguments against the central pillars of this financial policy, the interest rate approach on the one hand, and borrowing abroad on the other. I will not elaborate further upon them.

As I said at the opening of my remarks, my party and I believe that the serious problems of the Canadian dollar, and they are serious, are attributed to the over-all malfunctioning of the Canadian economy. To paraphrase what the Leader of the Opposition said, something more serious and fundamental is required than tinkering around with interest rates. However, I am not just going to comment on the government's disastrous performance in this regard. I agree with the Leader of the Opposition that something more fundamental is required. When he said that, my ears perked up. I thought I might hear from the Conservatives the fundamental policy that is required. I regret to say that I did not hear anything fundamental.

● (1640)

Mr. Paproski: He did not get to it.

Mr. Broadbent: One of the Conservatives says he did not get to it. He made some suggestions. I will not comment on those; I thought they were illustrations of fundamental Conservative thought, if that is not a contradiction in terms. The suggestions that were made were exactly of the same kind of tinkering nature that we have had from the Liberals.

On the other hand, he suggested some restrictions should be put on tourists with regard to what they bring into the country. That is one idea. On the other hand, there was the suggestion of imposing for a brief period of time some tariffs, thereby holding out some prospect that jobs will not be lost by keeping out certain products. That is a clear violation of an international agreement. Those were the two principal suggestions from the Conservatives. It is entirely the same kind of tinkering as that proposed by the Liberal party. There is no difference at all.

Some hon. Members: Hear, hear!

Mr. Crosbie: Give us a chance. Wait until we are in a couple of years.

Mr. Broadbent: The Conservatives say give us a chance. I have experienced 20 years of disaster with the guys over there. I do not want to put up with another 20 years of those on my right.

Mr. Crosbie: What about ten?

Mr. Broadbent: Neither the government nor the official opposition is offering any serious solution to our problem. On behalf of my party I want to state briefly what I think is the problem and to make some very specific suggestions.

The real problem we face in Canada is not just an international problem as the Liberals like to tell us. The Germans, Japanese, Swiss, Belgians and Swedes do not have it. In a different context, the Americans do not have it. The real problem is that this country does not have a viable industrial manufacturing sector of world class standing. The reason is that just over 20 years ago a decision was made by a Liberal government, supported by a series of governments, including one term in office of the Tories consisting of two principal points.

After the war it was decided that we were a rich resource country. From Newfoundland on the east coast to British Columbia on the west coast, it was recognized that we indeed were blessed on a per capita basis with the richest supply of resources in the world. It was argued by the Liberals of the day and supported by subsequent Tory governments that because we had a small population spread across the continent, we should sell off our resources to other countries that were industrialized. That was the argument that was made. Not long ago the hon. member for Don Valley (Mr. Gillies) said in a speech in Toronto that we should remain hewers of wood and drawers of water.

It was further argued that because of our small market, we could only have an industrial base that would serve the Canadian market and that it would have to be promoted behind high tariff barriers.

The chickens are coming home to roost at the end of the seventies. That is the real reason we are having problems with the Canadian dollar. We are finding that we are not the only country with resources. Countries such as Guatemala, Indonesia, Panama and Mexico also have resources which they are selling. As a result, we are seeing lay-offs in northern British Columbia, Thompson, Manitoba and Sudbury, Ontario, our once thought totally immune resource parts of this country. However, that is what is happening in Canada.

Our manufacturing sector was set up on a branch plant basis. Not only is it not doing research and development, but it is not going after export markets. It is not even competing behind tariff walls to serve the Canadian market. Therefore, we are having lay-offs in our manufacturing sector. On the one hand, we run into international competition with third world countries in selling off resources. On the other hand, we cannot compete at home with the manufacturing sector, which not exclusively but in the main is incompetent in world terms. That is the result of decisions made by a series of Liberal prime ministers and maintained by the right hon. member for Prince Albert (Mr. Diefenbaker) when he was prime minister of Canada.

Mr. Woolliams: That is not true.

Mr. Broadbent: The hon. member says it is not true. I hope he joins in the debate.

I want to place on record the relationship between these general statements and the current difficulty we are having with the dollar. In 1950 we exported 15 per cent of our mineral production in raw form. By last year that percentage had climbed to 40 per cent. We are just stripping it off and exporting it. In 1950, 25 per cent of Canadian jobs were in the manufacturing sector as opposed to 20 per cent in 1978. We are becoming less of a manufacturing country than we were ten or 20 years ago and becoming more of an exporter of relatively unprocessed raw materials.

These data show that we are continuing to sell off our resources. In terms of our share of the world market, however, we are selling fewer because of competition from the third world.

Mr. Gillies: Look at the figures.

Mr. Broadbent: The hon. member for Don Valley will have an opportunity to join in the debate. I hope he will. I would like to hear him reiterate and justify his view that the people of Saskatchewan, British Columbia, Ontario and the east should be hewers of wood and drawers of water.

That is the current statistical data on the resource sector. The data for the manufacturing sector is even more alarming. The growth of the fully manufactured goods deficit in the balance of payments account grew from around $3 billion in 1970 to over $12 billion in 1978, an increase of 400 per cent in eight years. Meanwhile the penetration of our domestic market by imported manufacturing goods increased in 17 out of 20 categories of secondary industry products in our country. The process started after the war of being an exporter of raw materials and importer of manufactured goods, or at least not a sophisticated manufacturer of secondary goods, has worsened, not improved. That is the real reason for the problems we are having today with the Canadian dollar.

My time today is relatively brief; I only have a few minutes remaining. In that time I would like not only to state the problem, as I have done, but to suggest an alternative approach, something that does not involve the tinkering we have heard about from both of the old line parties.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but his time has expired. Does the hon. member have unanimous consent to continue?

Some hon. Members: Agreed.

Mr. Broadbent: A central approach has to be taken now in order to come to grips with the problem of the Canadian dollar. We must deal with the broader question of providing jobs for all Canadians who need and want to work, and with driving down the cost of living. This is all connected with restructuring the Canadian economy. It is all connected with the issue of ceasing to be what we have become, namely, industrial tenants in our own land.

● (1650)

We should begin with the assumption that the central duty of the Government of Canada is to see that Canadian resources are owned by Canadians, controlled by Canadians and turned into manufactured goods by Canadians for export all over the world. That should be the assumption. To achieve this end we have laid out, on other occasions, certain specific recommendations. But today, in the context of this important debate on the Canadian dollar, I will set out certain definite proposals for the consideration of the House.

First, we should stop propping up the dollar at the cost of many millions of dollars for the sake of a policy which is not working. Instead of spending more than a million dollars a day to maintain a dirty float, we should invest that money directly in restructuring the Canadian economy and bringing about a greater degree of Canadian ownership in commercial sectors.

Then instead of raising the bank rate, the prime rate should be lowered by a whole percentage point. This should be done immediately because, in our view, it is essential to stimulate economic growth and make up the 14 per cent of unused capacity in the economy.

Third, over half of the jobs under the control of the Canadian Development Corporation which was set up in 1971 exist in other lands. My party says that all future CDC investment should take place in Canada alone unless a specific investment project can be shown to have a long-range Canadian benefit.

Finally, immediate steps must be taken to redirect the current rate of Canadian investment abroad. Intelligent use of planning agreements, investment incentives and joint ventures in energy, mining, pulp and paper, transportation, fishing and manufacturing could keep large sums of this money in Canada. Before large Canadian firms are permitted to invest significant sums abroad, they must be required to show a net Canadian benefit.

This approach, Mr. Speaker, is not something drawn out of a hat. It is not the magical product of academic economists working in a closet. These four proposals I have listed have already been put into effect in Norway, Sweden, Denmark, France, West Germany and Japan. The point I am making is that these are practical measures which are not new, they are workable, and the general conclusion Canadians should draw from them is that the problem of the Canadian dollar is not to be put in one corner, so to speak, while inflation and unemployment are put in other corners. They are all related as every economist and every thinking person knows. The means of dealing with them are also known.

What is lacking, therefore, is not the knowledge but political leadership, and it is time we got the leadership which would move the country in the required direction, leadership which will rest on the assumption that Canadian resources belong to Canadians and that the time is long overdue for us to start using those resources to develop a first rate manufacturing base in this country.

[Mr. Broadbent.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. Before I recognize the hon. member for Rimouski (Mr. Allard), it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are

as follows: the hon. member for Vegreville (Mr. Mazankowski)—Air Transport—Criticism of enforcement of air safety regulations—Call for minister's resignation; the hon. member for Egmont (Mr. MacDonald)—Status of women—Employment strategy of government; the hon. member for Cape Breton-East Richmond (Mr. Hogan)—Regional economic expansion—Decision on financial assistance for Sysco to modernize plant.

• (1700)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—LOSS OF CONFIDENCE IN CANADIAN DOLLAR AND GOVERNMENT POLICIES

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

That this House regrets the government's refusal to give parliament a meaningful opportunity to investigate the loss of confidence in the Canadian dollar and the government policies which have reduced our currency to its lowest level in forty years.

Mr. Eudore Allard (Rimouski): Mr. Speaker, I am pleased to participate in the debate on the motion of the Leader of the Official Opposition (Mr. Clark). Like the hon. member I think that the Canadian dollar has reached a critical point. The Minister of Finance (Mr. Chrétien) can go on repeating that an 85-cent dollar will be profitable for our external trade, but in fact the weakness of the Canadian dollar results from the weakness of our economy.

In fact, foreign investors and financial circles have lost confidence in the economic policy of Canada, an ad hoc and unforeseeable economic policy. We have no continuous plan, no real orientation. We take band-aid measures when we have our backs to the wall. The proof that the Minister of Finance does not want a dollar worth 83 or 84 cents any more than we do is that the Bank of Canada has continuously intervened on the foreign exchange market to prevent the drop of our dollar. Indeed the Bank of Canada has used up its foreign currency reserves to support our dollar, and recently the government had to borrow again on foreign markets.

Furthermore, the Bank of Canada had to juggle with discount rates so that the interest rates of chartered banks rose to record levels and those banks will continue to make excessive profits, at our expense naturally, as they have been doing since 1968. Much to the amazement and surprise of the government the report published last week by the Economic Council of Canada proves it. In the beginning, the drop of the dollar to 90 cents was an unavoidable adjustment resulting from the loss of competitiveness of Canada as concerns price and cost, and the lack of economic leadership of our political authorities. I should rather, Mr. Speaker, talk about the absence of leadership. That would be more in line with the present situation.

When the Minister of Finance says that an 85-cent dollar stimulates imports, he forgets of course to talk about the adverse effects we are beginning to feel as a result of our depreciated dollar. That drop was too rapid not to have negative effects, quite simply because of the strong upward pressure on food prices and our massive imports—particularly during winter—of agricultural products which indeed we cannot slow down and without which we cannot do. So we are unable to slow down inflation.

Indeed, workers with a family spend the greater part of their budgets on food, meaning that most of their expenses go for food. So the depreciated Canadian dollar represents an additional increase in the domestic prices of goods purchased abroad. As a result of that workers today are beginning to cry out loud. Unemployment insurance benefits are being reduced by 66 per cent to 60 per cent, so our family allowances and inflation continues to gallop. So, as I was saying earlier, inflation is far from being checked and even the minister must have realized his predictions. In this post-control period, we see there are ever-increasing potential confrontations between management and unions which of course are going to ask for big salary increases. Indeed, the government is beginning to be concerned about that tendency, as the right hon. Prime Minister (M. Trudeau) pointed out recently.

In spite of last minute interventions the dollar has not yet stabilized and its drop is constantly being reported in the media where every day we are told about a loss of a few points or a very insignificant temporary recovery. But in the last several months the defence of the dollar has been very costly. We borrowed astronomical amounts to replenish our run-down reserves.

So what is the logic, Mr. Speaker, behind all that inconsistency in government measures? Opposition critics have asked for clarifications on the government policy on a daily basis. Naturally, we did not get a clear answer. And yet we represent the people and they have a right to know how their money is being used because they ultimately suffer from the continuing depreciation of our dollar.

In his address to the annual meeting of the shareholders of the Royal Bank, which according to its latest annual report made profits of up to 40 per cent, the Chairman of the Board of Directors of the bank, Mr. McLaughlin, accused the government of being irresponsible and of having caused the dollar to fall. Here is what he declared last month on January 11, and I quote:

It is true that we officially have a floating rate for the Canadian dollar, but during the past year the float became a rather dirty one. Ottawa maintained that the Canadian dollar was being left to find its own level on the market. That is the essence of a clean float, with intervention only to prevent too great a movement either way, over a very short period. But what Ottawa said and what

Ottawa did seemed to be two quite different things. In my view, this has been part of the reason for the fall in the Canadian dollar.

Mr. Speaker, that accusation against the government comes from the head of the Royal Bank. We in our party, as members of the opposition, were right to show our concern about these last minute interventions which never did succeed in supporting the dollar anyway. The motion we are dealing with today stems directly from that fact. Of course, other factors have contributed to the fall of the Canadian dollar. I said earlier that our lack of competitiveness and the fact that our costs were no longer competitive had weakened our economy and therefore our currency. Obviously, having to rebuild our reserves and to borrow outside the country to do so has placed us in a very unfavourable position.

I would like here to quote again from the comments of Mr. McLaughlin, still on the subject of government interventions on the exchange markets. He said the following:

However, the experience of other countries has shown that whatever supportive action was taken, the currencies always ended up by falling back to the level where the market placed them.

And Mr. McLaughlin concludes his assessment of the present situation in these terms:

Government interventions are not only ineffective, but often harmful.

In support of this assessment, I would like to recall the effects of the numerous and unsuccessful interventions of the Bank of Canada on the exchange markets. On October 17, 1978 the Minister of Finance (Mr. Chrétien) introduced a bill in this House to ask that the borrowing power of the government be increased by $7 billion for this financial year and set at $10 billion for the year 1979-80. There was a reason for this sudden thirst for money: an increase in the borrowing power had become necessary because of the borrowings made outside the country.

The future does not look very encouraging for our dollar. Where and when will this decline finally stop? We would all have a hard time predicting this. For all Canadians who import more than 25 per cent of the goods they consume, the immediate effects of the situation are not pleasant. The government seems to hope that this decline will bring immediate advantages in the export sector, that our economy will bounce back and that this will result directly in lower unemployment. However, the demand for our products, which are mostly raw materials from the mining and forest industries, will not increase overnight. Besides those two sectors are closely linked to the fluctuations of the market and must face a very strong competition. Furthermore, the international economic outlook is quite discouraging. Experts are even forecasting a recession in the United States in 1979. If a strong demand for our products fails to materialize, we will have to lower our interest rates in order to stimulate new investments. Mr. Speaker, this government is presently preparing its next electoral campaign. Naturally it talks a lot about separatism and national unity in order to make Canadians forget its failure at solving an economic crisis which is worsening month by month. It is quite obvious that it is once again preparing itself to mystify the people of this country.

Mr. Speaker, why speak about unity in such a large country as ours, divided as it is into very different regions? In the first place, we are divided when it comes to politics and religion yet the government ignores completely the only element likely to bring harmony within this country from the Atlantic to the Pacific, from north to south. That element, Mr. Speaker, is our economy. Our Canadian dollar is indeed the same coast to coast. It is just about all we have in common from one province to the next.

This government fails to assume control over the monetary system to allow each region and each individual to feel certain that in his country, whatever his origin or his language, he will enjoy fairness and understanding and will be able, according to his abilities, to benefit from the enormous riches of Canada without hurting anybody. In my opinion, Mr. Speaker, that is one of the few solutions we have before us to restore confidence within our people who will be best able to judge for themselves and realize their privilege of living in a beautiful and great country such as ours, where harmony and peace will be based on our dollar as a common denominator. There is an urgent need to determine where we find ourselves now and where we are headed with the haphazard policies of this government.

• (1710)

[*English*]

Mr. James Gillies (Don Valley): Mr. Speaker, I am really pleased to participate in the debate this afternoon. I have never seen, since I have come to parliament, a greater indication of why we must have an election right away. If the quality of the speech we heard from this government today is an indication of their thinking on the economic problems of this nation, then certainly the country is in serious trouble and needs a change of government as soon as possible.

How incredible it is, when the Canadian dollar is at an over 35-year low, or at a 110 year low if you take the annual average, for the Minister of Finance (Mr. Chrétien) not to be here, for the Prime Minister (Mr. Trudeau) not to be here, for the new super minister of the board of economic development not to be here! What is parliament for? Why are we here? Are we not interested? Is this not a significant enough problem to be debated by the leaders of the government? Can we not have a serious debate on economic policy in the parliament of Canada? Does the government have no one to put up to speak on these issues except the Minister of Transport (Mr. Lang)? Everything that this minister has touched has gone wrong. This is the Minister of Transport who could not run an airport policy, the minister who could not run a wheat policy, the minister who practically created a constitutional crisis in his handling of the airport controllers situation, a minister who rises here and makes some sort of second rate, high school quality political speech, at a time when the official opposition

has used the first possible day available to it to put forward a motion in this parliament dealing with the major issue facing the Canadian people. Yet there is apparently no one in the government who is capable or competent to get up and speak on this issue and to defend the government's program.

I say this so often but parliamentarians wonder over and over again why the people of Canada are holding parliament in such low repute. The answer is clear: parliament is irrelevant. How irrelevant it can be is shown by the fact that when we have a day set aside to discuss the most important and the most serious economic situation, potentially the most dangerous economic situation that the country has faced in generations, there is nobody here from the government to debate it.

An hon. Member: Where are all the Tories?

Mr. Gillies: Let me tell you, Mr. Speaker, that if we are going to make parliament work, if we are going to make parliament relevant, we must have important debates.

An hon. Member: There are only eight of you Tories here.

Mr. Gillies: We cannot do our job as parliamentarians if we cannot debate these important issues. On top of that, we could not get from this government a reference to the standing committee so that we could really examine these issues in that extension of parliament. What we are doing now in that committee is smuggling in, under a reference of the Bank Act, a discussion on this matter, debating and wrangling about who should be there. Should we not have a debate with the best experts, the best people we can find on these issues? Is that not what it is all about? Are we not trying to solve the problems for the sake of the Canadian people? Yet here we are unable to get a debate of any relevance going in the House of Commons because the government once again—presumably they are afraid to talk about their policies—has no one to put up to talk on the issues that are in front of us at present.

I noted with interest some of the comments made by the Minister of Transport. Most of them were irrelevant, and those that were not irrelevant were incorrect. He discussed the fact that the Canadian economy may be in difficulty because of some of the things that are being said by the Leader of the Opposition (Mr. Clark) and members of the opposition party in spite of the fact that we have the most incredible Minister of Finance this country has ever had, a Minister of Finance who rises in the House of Commons and says the government is not supporting the dollar at the same time as he goes out and borrows over $5 billion to support the dollar; who says the dollar is moving up with slight market fluctuations at the same time as he is using more money in defence of the dollar than has ever been used in Canadian history. The Minister of Transport has the unmitigated gall—I hate to use that word, but lacks common sense—to question the credibility of the Leader of the Opposition, when there has never been—and I challenge anybody on the government side to dispute this statement—a minister of finance with as little credibility as the current Minister of Finance. Everywhere you go, Mr. Speaker, if you ever leave the Hill and talk to people engaged in investment activities, you find that the minister has little credibility.

One of the reasons the Canadian dollar is in trouble is that the government has no credibility. How can this government talk about credibility, a government that campaigns against wage and price controls and then, when it gets elected, puts them in? We will not have any reasonable, hopeful economic policy in this country until we change the government. What is wrong with our economic management and has caused the feeling by people around the world about our economy is that the government have made so many disastrous errors; they speak from both sides of the mouth, and no one knows what their policy is, if there is any policy. They show inability and unwillingness to give to the committee the power to permit members of parliament to fulfil their function by discussing the economic issues with the best experts and getting the best advice they can get. It is disgraceful in the extreme and shows how bankrupt the government are, how frightened they are of exposing what is going on in this country.

Compare our situation with the way in which economic policy is debated in any country in the western world. The other night the President of the United States made a report to Congress on the state of the American economy. Why did he do that? He did it because by the full employment act of 1946 he is required to do so by law and to make a forecast on how the American economy will operate so that people can evaluate it. The Congress holds hearings with witnesses, members of Congress can get an evaluation of what policy should be put in place, and Americans are informed of what the issues are.

It seems that would never do for Canada; it would never do for the Liberals. They do not want people to know. They do not want to solve the problems. That is the only conclusion one can reach from the way in which they operate. Today on the first allotted day to the opposition which is devoted to the most important problem in Canada, to have no minister in the economic area in the House of Commons to defend government policy is utterly disgraceful and shows the lack of ability there is in the government. They cannot find anybody. One person is out of town so they cannot find anybody else to speak on economic problems for the government on this particular day.

Mr. Knowles (Winnipeg North Centre): There is the Minister of National Defence (Mr. Danson).

Mr. Martin: Mr. Speaker, I rise on a point of order. This is an aspersion cast against the Minister of Finance (Mr. Chrétien). As was explained quite clearly, he is in New York, in answer to a long standing invitation, to address the Council of Foreign Relations. The minister who spoke in his place is Acting Minister of Finance, and he handled the subject quite capably on behalf of the minister.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): That is not a point of order.

Mr. Gillies: I would have thought the Minister of Finance—

Some hon. Members: Sit down.

Mr. Deputy Speaker: This is not a recognized point of order.

Mr. Gillies: I would have thought the Minister of Finance would have felt that his place today was in the parliament of Canada. That is where he should be. Where is the President of the Board of Economic Development Ministers (Mr. Andras)? Where is the Minister of Industry, Trade and Commerce (Mr. Horner)? Where is the Minister of Consumer and Corporate Affairs (Mr. Allmand)? The government has no one capable of speaking; it had to put up the Minister of Transport, who proved there was no one capable of speaking on this issue. The government was unable to put up anyone who was capable of defending its policy. The government is desperate, but it is even more desperate when the Minister of Finance is in town. The point remains: The government does not want to discuss economic policy because it cannot. The government does not have anyone capable of discussing economic policy.

● (1720)

Some hon. Members: Hear, hear!

Mr. Gillies: Where are the ministers of the government? Indeed, the Minister of Finance thought he had to leave the country rather than face up to speaking in the House of Commons on the first available day. It is very simple to see how the government feels about parliament. This is where the debate should take place, but where is the Minister of Finance? Where are the ministers of the government?

An hon. Member: Where is your leader?

Mr. Gillies: The ministers of the government should be here to discuss this issue. If they cared about parliament, they would be here.

Mr. Deputy Speaker: Order, please. The Minister of National Revenue and Minister of State for Small Business (Mr. Abbott) rises on a point of order.

Mr. Abbott: Mr. Speaker, the hon. member repeatedly asks his question. Perhaps he does not mean it rhetorically, but as the hon. member was told, the Minister of Finance (Mr. Chrétien) is in New York addressing an important audience. The minister made that commitment a good deal of time ago. Notice of this debate only came down late yesterday afternoon. The hon. member accused the Minister of Transport (Mr. Lang) of speaking politically, yet he has given us nothing but political claptrap for the last five minutes. When will we hear the hon. member's speech?

Mr. Gillies: Mr. Speaker, I am sorry but I do not recall the portfolio of the hon. minister who just spoke, but even with a real cutting edge he failed to make his point. The point which must be made repeatedly is that either we care about parliament or we do not. If we care about parliament, we will have important debates in parliament. If we do not care about parliament, we will put our first priority on speeches made outside of the country instead of being here and speaking about important problems. Obviously parliament is not able to work when the government has no one capable of defending its policies or capable of putting forward a policy concerning a very important issue.

It was refreshing to listen to the hon. leader of the New Democratic Party (Mr. Broadbent) who attempted to put forth propositions concerning the issues faced in the country today. I thought his comments were relevant, but he was quite wrong in many of his assertions. At least the hon. leader of the New Democratic Party attempted to address the problem and participate in a debate on economic policy. The hon. leader of the New Democratic Party commented upon some of my remarks concerning hewers of wood and drawers of water. I hope the hon. member will read my speech on that matter. If he does so, he will see my argument was that we should use the foundation of our resources as a basis for the industrial strategy of the nation.

It is a shame that we should be a country rich in mining, I think the fourth richest in the world, and yet import 66 per cent of our mining equipment. It is a shame that we should be a country with huge markets in pulp and paper, and yet import well over half of our papermaking machinery. It is a shame that we should be a country rich in fishing, and yet have no refrigerated ships to go out on the sea. The essence of my remarks was that we should use our resources as the base for the development of an industrial strategy. That is exactly the direction in which the country must move.

Canadians will be very confused after hearing some of the statements made in the House. The Minister of Finance rose the other day and indicated that 440,000 jobs have been created. Then someone else rose and said: "Yes, but 8 per cent of the total labour force is unemployed." Then someone else said: "But the inflation rate is only 8 per cent". Then another hon. member said: "But the inflation rate in the United States is 9 per cent, so we are better". Then an opposition member said: "Yes, but in terms of Switzerland the inflation rate is only about 2 per cent, so we are worse." We go on and on with this type of nonsense.

There is only one sensible way of looking at economic performance. It is not in terms of international comparisons; it is in terms of potential. The reality is that the rate of real growth in the economy is less than 3 per cent. During the period of 1946 to 1966, the rate of real growth averaged almost 6 per cent. When there is growth of that dimension, unemployment is reduced, and inflation problems are handled. Is there a set of monetary and fiscal economic policies which can be put in place which will fulfil the potential of the country? That is what Canadians are concerned about.

The evidence is clear that such policies are not in place now. Anyone who argues that the real optimum rate of growth for the Canadian economy is less than 3 per cent belies our history. On the average for many years our growth rate was approximately 6 per cent. For many years during the post-war period, we were able to maintain unemployment rates of 6 per cent and less, and an inflation rate of approximately 2 per cent. What has gone wrong? Of course, it is the government

which has gone wrong, as have its policies which have been put in place.

Apparently there is the view that our present economic situation was created by chance. It was because of mistakes, the mistaken policies which were put in place. The situation would not be such if there had been better economic policies. Canadians are suffering seriously because of the policies of the government. Today the Minister of Transport said that it was all a mistake. I forget who the government blamed today; perhaps it was Mr. Lévesque. In 1968 when the present federal government came into power, it is interesting to note that there was just a whisper of separatism in Quebec. Now ten years later the separatist government is in power. The Liberal government is in power in Ottawa today and it must take some responsibility for the situation we are facing. It must take responsibility for the economic situation, rather than just blaming Mr. Lévesque and the opposition.

A few years ago the then minister of finance, Mr. Turner, who is now in the business of writing newsletters, blamed all the problems in the Canadian economy on international situations. The federal deficit cannot be blamed on anyone else; it happened domestically.

An hon. Member: Tell us about that.

Mr. Gillies: I will tell hon. members about the deficit. In Canada the federal deficit created by the government is presumably running at $12 billion. The government will not tell us for sure because it really does not know. It is similar to the situation with Crown corporations; the government does not know how many Crown corporations it has. The current deficit in the country is four times higher than that in the United States. The Liberals do not seem to understand that the deficit had to be financed and was financed by increasing the rate of money supply through the Bank of Canada.

Mr. Railton: Oh, oh!

Mr. Gillies: The inflation in the country was created by the government.

Mr. Railton: Oh, oh!

Mr. Gillies: Perhaps the hon. member for Welland (Mr. Railton) does not care about poor people, old people or those affected by inflation. Perhaps he thinks inflation is a joke.

Some hon. Members: Oh, oh!

Mr. Gillies: It is interesting to see the hon. member's attitude. The government created inflation by its policies. It did not care what effect inflation had on Canadians.

Mr. Deputy Speaker: Order, please. The hon. member for Welland (Mr. Railton) rises on a point of order.

Mr. Railton: Mr. Speaker, if the hon. member for Don Valley (Mr. Gillies) was talking about my not caring, he should be reminded that he is talking about someone who cares a great deal about Canada and its poor people, someone who has devoted a great deal of his time to looking after such people.

Some hon. Members: Hear, hear!

• (1730)

Mr. Gillies: I would be glad to hear the hon. member for Welland join in this debate because I do not think I have ever heard him speak in the House before. I would love to hear him speak in this debate—

An hon. Member: Cheap shot.

Mr. Alexander: What do you mean, cheap shot? This is no kindergarten session here.

Mr. Gillies: —and hear him say how he supports a government that creates inflation of this sort which does so much to hurt the old and poor people, and whether he thinks it is a good idea to have an 8 per cent inflation rate in Canada. This government has created inflation by creating the deficit. It is one of the most irresponsible activities of a government in the western world, to allow a deficit to take place which is four times greater than the deficit of the United States.

An hon. Member: Tell us about your deficit.

Mr. Gillies: What has happened as a result of that? It has been financed by an increase in the money supply, and the net result is the balance of payments deficit which we have at the present time and in association with it a decline in the value of the dollar.

Mr. Alexander: The Toronto boys are worried.

Mr. Gillies: Hon. members attended the committee as a result of the current situation. But what is the question which is really relevant? The relevant question before parliament is: what is the proper level of the dollar for the Canadian economy and what are the sort of economic monetary and fiscal policies which should be put into effect that will result in the dollar reaching a level where inflation can be managed and unemployment is kept at a reasonable level? Nobody on the government side has been able to tell us, even though they are making the policy. Many experts think that the proper level for the dollar is somewhere between 88 cents and 92 cents, and I suspect that that is reasonably close. The proper course of action would be to get experts before the committee and find out.

I do not happen to believe that it is significant to be a member of parliament and not care about these things and not be concerned about what sort of economic policies this country ought to have. That is what the real issue is, the inflation, the high prices and the unemployment which hurts the people. We cannot find out what the government thinks the real policies are.

An hon. Member: They don't know.

Mr. Gillies: They don't know. I can inform the hon. member for Welland that if we were to go to committee and ask such a question, they would not give us an answer. The reason is because they probably do not know or do not have any views on the matter. One view that is very clear is that of the governor of the Bank of Canada when he went before the Senate and said that if the dollar drops any more the inflationary forces that it will unleash will be harmful to this nation.

An hon. Member: Who said that?

Mr. Gillies: The governor of the Bank of Canada. We all know that every time the dollar drops we get more inflation. It is important to determine what we can do to alleviate the situation. I do not think that the government expected the dollar to go under 90 cents, but it did. Nor do they expect it to break 80 cents, but it may or it may not. The current account deficit is very high, and as a result the dollar may go that low.

The government in its position of defending the dollar has taken two approaches. The first position is to borrow abroad, as it has done to the tune of $5 billion unlike any government in Canadian history. The cost, incidentally, to the Canadian people due to the differences in exchange rates alone is well over $170 million. In other words, the amount Canadians will have to repay because of the exchange rate differentials which have taken place since the borrowing is estimated today at about $170 million. The tragic thing is that even by following that policy it does not seem to have stopped the slide in the value of the dollar, but this seems to be the only policy the government has been able to come up with.

The foreign exchange equalization account had approximately $6 billion in reserves two years ago, and the government has almost depleted it. It has replaced it by borrowing abroad with expensive money and we are now faced with the necessity of having to repay those funds and the accrued interest. The government which is best known for following this sort of policy is the British government during the period 1960 to 1965. Essentially, it bankrupted the country. The declining value of the pound created more inflation and the inflation caused costs to rise which nullified trade advantages, and they were soon back in the same cycle. Canada is desperately approaching that same situation, and for a rich country like this to be getting into such a situation is fairly desperate indeed.

The second thing which the government has done is to raise interest rates. Presumably it does not care about high interest rates, high consumer borrowing costs, high mortgage costs, or high costs for starting business. Every economist in this country and, indeed, the governor of the Bank of Canada, have said that a high interest rate policy, given the high domestic economic situation in the nation today, is wrong. The last thing Canada needs right now is a high interest rate policy, yet since the beginning of 1978 the bank rate has gone up 50 per cent, from 7.5 per cent in the beginning of 1978 to the current level of 11.25 per cent. Every time interest rates go up mortgage rates and rates in general go up. It is inflationary.

Why has the government taken the direction that it has on interest rates? Incidentally, it is interesting to compare the bank interest rates of other countries around the world with Canada's interest rates. Here are some interest rates: West Germany, 3 per cent; Switzerland, 1 per cent; Japan, 3.5 per cent, and U.S.A., 10 per cent. The reality is that the countries with strong economies have the low interest rate structures and a strong balance of payments. We are going in the other direction, because the government argues that we have to keep capital flowing into the country or the dollar will fall even further. If one looks at the figures, which some people never presume to do, the rise in interest rates has really not caused a change in the rate of the flow of funds. We have the peculiar situation that even though we have moved the interest rate up seven times, it really has not done anything for the net flow of capital.

Let us look at the argument of not raising interest rates. If interest rates had not been raised, it is argued the net flows would be much greater. But is that true? Another argument which needs to be examined is that in today's world slight differentials in interest rates are not as important to reinforce the international movement of capital as the assessment on the part of investors with regard to the strength of the economy itself. This is a bottom line question on economic policy. If we have moved to a high interest rate policy at a time of high inflation and high unemployment, it is a terrible price for Canadians to pay if it was not necessary to make such a move.

Describing the situation in terms used by lawyers, "there is enough evidence to suggest that it should be investigated". There is enough evidence that interest rate differentials are not that important to the movement of capital right now and that we did not necessarily have to follow this policy. The Canadian people have a right to know whether this is the right policy or not. It is not good enough for the Minister of Finance to assert that he had to do it to keep the differential between the rates of the United States and Canada at their levels. Recently there was a period in Canadian history where our rates were higher than those in the United States. There was also a period when they were lower. The period when Canadian rates were lower than the rates in the United States did not seem to have a deleterious effect on the strength of the current account balance.

Mr. Danson: When was that?

Mr. Gillies: Roughly 1971 to 1974. What is the right policy? What we are trying to get across today is that on issues which are as important and as fundamentally significant to every single Canadian as this one is, we must have the best advice, input, debate, analysis—

Mr. Alexander: And honesty.

Mr. Gillies: —and openness and honesty possible, because it is too important to proceed otherwise. If we do not need in Canada a high interest rate policy because of our foreign exchange situation, how desperate that we should be taken down that road.

• (1740)

It is very seldom that issues are so clearcut in the making of an economic policy—where decisions can be made so clearly one way or the other. But this is one of those occasions. We are at a crossroads in the sense that the government is dedicated to the proposition that in order to hold the dollar at its present level it has to go to high interest rates. Some people who are highly thought of have suggested that we could hold the dollar where it is without the high interest rate costs. That proposition should be examined.

Much is made of the point that the falling dollar has helped our exports and, of course, it has. But the fundamental question of how much more our exports are helped by an 83-cent dollar than by a 90-cent dollar has not been answered, and that is another very important question. Would exports be helped even more by a 70-cent dollar? The choice is between inflation from devaluation and the trade gains made from it. Clearly, if going from 90 cents to 83 cents hardly expands exports at all, it is not worth while because it brings too much inflation. There has to be an optimum rate at which the dollar will float given an appropriate monetary and fiscal policy. We have to find that out, and that is why we must have a reference to a committee and a proper debate.

Some hon. Members: Hear, hear!

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the motion that is before the House today by the Leader of the Opposition (Mr. Clark) should perhaps have the subtitle, "Another Request for a Fishing Expedition." I think we are all aware that there have been enough Tory fishing expeditions on this subject in recent months and they have all been scuttled.

The Minister of Finance (Mr. Chrétien) and the governor of the Bank of Canada have both appeared before the Standing Committee on Finance, Trade and Economic Affairs whenever asked by that committee and by the steering committee to appear. The official opposition has been trying to make a story out of this by insinuating that there has been resistance or objection to having the governor of the Bank of Canada appear before that committee. There has never been any such resistance. As soon as the steering committee made the request last week, arrangements were made within 24 hours for the governor of the Bank of Canada to appear. When the hon. member for Don Valley (Mr. Gillies) indicates that there has not been proper testimony before that committee, then I think the things that the governor of the Bank of Canada said that day should be restated.

I might say that all five financial critics of the opposition were present that day. It was a prestigious occasion. It was the first time that all five critics had turned up at one meeting together.

Mr. Alexander: We have five; you have none.

Mr. Martin: In diversity, I suppose there is sometimes strength. They are the "variety club."

I think some of the things that the governor of the Bank of Canada said that day were very important. I should like to quote one or two comments from his opening statement when he said:

> The substantial depreciation of the Canadian dollar that has now occurred, together with an improved performance to date in controlling our domestic costs, has re-established Canada's competitive position at least for the time being.

I think that was an important statement and, if anything, it supports the kind of government policies that have been in place.

An hon. Member: Read the rest of it.

Mr. Martin: I do not have time to read it all. The hon. member was there. He is one of the financial critics. The hon. member for St. John's West (Mr. Crosbie) has joined the variety club.

On that day the governor of the Bank of Canada also said:

> —more exports, more import replacement, a lower current account deficit, less dependence on foreign capital, more output, more jobs, even higher government revenues and lower government deficits than we would otherwise have. I cannot think of a more attractive way to move our economy forward.

That is not a statement of this government per se but is a statement by the governor of the Bank of Canada made before the committee within the last week.

I could go on and on, Mr. Speaker. The hon. member for St. John's West would like me to read the entire statement of the governor, but I think that would just further deflate any points members of the opposition might want to bring forward in this debate. I will simply quote one or two other points. He said:

> Conversely, anyone who feels that the objective of monetary policy should have been to halt or reverse the decline in the exchange rate before it had gone nearly so far as it has is advocating that we should have pushed up interest rates a good deal further and faster.

I am not sure if the hon. member for Don Valley or other members of the club over there are in favour of further, higher interest rates than we now have, but the governor of the Bank of Canada has made it abundantly clear that were we to halt artificially the decline of the dollar if that is the direction it happens to be going in at a particular time, it would mean much higher interest rates than currently prevail.

The governor went on to say:

> It would be a mistake, however, to suppose that the effect on expectations of a 'hands off' policy would not be more serious, since such a policy would create the impression that the authorities do not care about the exchange rate and this in turn would arouse widespread fear and concern.

A couple of lines later, he said:

> I might add that a similar view is shared by the authorities of other nations as a result of their experiences in recent years.

That shows what the governor of the Bank of Canada has been proposing and government policies have been very supportive of this course of action, and the experience of other industrialized nations has led them to follow the same route when faced with similar problems.

I should like to deal with a point made by the hon. member for Oshawa-Whitby (Mr. Broadbent) who continues to put before the people of Canada what he put before the finance

committee—the insinuation that every time borrowings are made to bolster the exchange reserves, it means a net cost to the Canada taxpayer. This is not necessarily the case. In many cases when borrowing to buy another currency the money can be invested, and perhaps in some cases an even higher return can be earned than the cost of borrowing the money. The governor of the Bank of Canada referred to that when he said:

The total amount of government borrowing and the total interest cost to the government is not necessarily increased. And for the country as a whole the net external debt burden is not necessarily increased.

In his concluding remarks before the committee the governor of the Bank of Canada said:

—we should not exaggerate the difficulties or be frightened of the future. There is much to reassure us. The Canadian economy is now very competitive with the rest of the world. It will take time for us to reap the full benefits although I think they are already in evidence to some degree.

I might interject that the 477,000 new jobs are perhaps some indication of what he was trying to get at. He did not use that figure; it is mine. He went on to say:

One promising sign is the remarkably strong growth in employment that we have been experiencing recently. The main point is that we still have a reasonably good chance of emerging from our present difficulties in a strongly competitive position, with lower rates of inflation, and in time with lower interest rates.

The government is being criticized by the hon. member for Don Valley, the Leader of the Opposition and others who are trying to make an issue of this exchange rate. Let us be realistic. The issue they are trying to make is to see through constant bickering and putting the item in front of the public that possibly it can go a little lower because they feel that politically that might be of some use to them.

Some hon. Members: Oh, oh!

Mr. Martin: Mr. Speaker, I think that is exactly what is happening, otherwise they would be listening to the view that positive information—

Mr. Gillies: Mr. Speaker, a point of order, I want the hon. member to withdraw that statement right now. It is dishonest, it is inappropriate, it is absolutely incorrect, and is not worthy of being spoken in this House of Commons. To suggest for a moment that when members of parliament are trying to debate important economic issues they are trying to embarrass the government instead of getting things going in a proper way, is outrageous.

Mr. Deputy Speaker: Order, please. The hon. member for Don Valley (Mr. Gillies) will agree with me that he has just got a point of debate. These remarks are definitely not unparliamentary.

Some hon. Members: Oh, oh!

Mr. Gillies: It is not a point of debate, it is a point of order—a point of privilege. It is not a point of debate. The speaker opposite said that the Leader of the Opposition (Mr. Clark) and myself were trying to make an issue out of the Canadian dollar to send it down. We are trying—we have said over and over the problems that are created by this dollar going down—we are trying to get it up.

Mr. Deputy Speaker: Order, please. Order, please.

Some hon. Members: Oh, oh!

Mr. Gillies: I want you to ask that man to withdraw that statement.

Mr. Deputy Speaker: Order, please. The hon. member has a point of disagreement and nothing else. There is definitely no point of order in what he is saying. He may have a different opinion. The remarks of the hon. member are not a reflection on the hon. member. It is a question of interpretation of facts, policies and remarks.

● (1750)

Mr. Gillies: Mr. Speaker, I rise on a point of privilege.

Mr. Deputy Speaker: Order, please. I have rendered my decision. There is no question of privilege on the assumption made by the hon. member.

Mr. Gillies: Mr. Speaker, he said that I was trying to force the Canadian dollar down. That is privilege. That is not debate.

Mr. Deputy Speaker: Order, please. That is the hon. member's point of view. I am not here to judge what is one member's point of view in comparison to another member's point of view. I am sure the hon. member's remarks might not have satisfied the parliamentary secretary when he made his speech—

Mr. Gillies: The parliamentary secretary is a liar.

An hon. Member: Withdraw that statement.

Mr. Deputy Speaker: Order, please. What the hon. member for Don Valley just said is unparliamentary and I think he should withdraw that statement.

Mr. Gillies: Mr. Speaker, that man said the reason we are debating this dollar problem is because we are trying to force it down.

Mr. Crosbie: He is a liar.

Mr. Gillies: That is not true, Mr. Speaker. That is absolutely not true. He lied when he said that.

An hon. Member: Order!

Mr. Deputy Speaker: Order, please. I ask the co-operation of the hon. member. I cannot allow the hon. member's last remark in any way, especially as he said it as directly as he did. He has a point of disagreement. He can say that the statement is untrue but I cannot allow this last remark unquestioned by the Chair. By the rules of the House the hon. member must withdraw it.

Mr. Gillies: Mr. Speaker, he is so ridiculous I will withdraw it.

I must say that I find that sort of remark in the capital markets we are living in today, and the problems we are experiencing, totally unworthy of anyone who seeks to sit in this Parliament of Canada—

An hon. Member: Right on.

Mr. Martin: Mr. Speaker, obviously I was not directing any specific aspersions on individuals—

An hon. Member: Of course you did; you said so.

Mr. Martin: The point I was trying to make was that the whole thrust of the opposition party, led by those who are presumably the financial critics, and the Leader of the Opposition, is to get excessive debate on this subject of the exchange rate. That is the point I am trying to make. In the process I might say—

Mr. Alexander: Mr. Speaker, I have a point of order.

Mr. Deputy Speaker: Order, please. The hon. member for Hamilton West (Mr. Alexander) is rising on a point of order.

Mr. Alexander: Mr. Speaker, I have listened to the parliamentary secretary. He was wrong in what he said in the first instance regarding what the hon. member for Don Valley had brought to your attention. However, it amazes me now to hear the parliamentary secretary suggest that in light of this crisis with which we are faced at this time we are to stand or sit mute. If that is what the parliamentary secretary is projecting, indicating or implying, then he better check his thoughts and let me know what I am supposed to do. Under no circumstances whatsoever—

An hon. Member: Order.

Mr. Alexander: —are we going to sit here on this side and watch these people destroy the country in terms of its fiscal and monetary policies. Are we supposed to sit here and be mute?

An hon. Member: Order.

Mr. Deputy Speaker: Order, please.

Mr. Alexander: I want the parliamentary secretary to tell me if that is what he is saying and I am to sit and listen to all this nonsense.

Mr. Deputy Speaker: Order, please. The hon. member for Hamilton West knows that he has only a point of disagreement. He can seek the floor in due time and make these remarks and still be within the confines of the rules of the House. This is definitely not a point of order. If I am to permit hon. members to answer each other as we go along, no one will be able to make a speech or put his ideas in front of the House and the Canadian people, and we will not be able to have an orderly debate. The parliamentary secretary should be permitted to complete his speech.

Mr. Alexander: Mr. Speaker, with all due respect, will the parliamentary secretary allow a question?

Some hon. Members: Come on!

Mr. Alexander: It was all right for the parliamentary secretary to jump up every five minutes on points of order. Will the parliamentary secretary allow me one question?

Mr. Martin: Mr. Speaker, in view of all these interruptions and I do not know how you will rule on this, but I would prefer the hon. gentleman to wait until the end of my remarks.

Mr. Alexander: Typical.

Mr. Martin: At that time I would certainly be pleased—

Some hon. Members: Hear, hear!

Mr. Martin: I might say in the process that the hon. member for Hamilton West (Mr. Alexander) has been around this House longer than I have. I am not sure whether it is one of my functions to instruct him as to what his function is in this House. Perhaps privately we could get together and I could give him some suggestions—

Mr. Alexander: I want you to tell me now.

Mr. Martin: Obviously there have been many and valid opportunities for members of the opposition to question witnesses in the finance committee on this issue. We are having another debate here today. What I am seeking, and what I am sure members on this side of the House are seeking, is for people in the official opposition who are deigning or wishing or hoping some day—a fond hope they might have of some day holding power—is for them to take a more serious responsibility on some of these issues, for instance, the proposal of increased deficits. The governor of the Bank of Canada made it very clear that if we were to follow the proposals suggested by the Leader of the Opposition and others over there to increase the deficit by about 50 per cent, which is what the total of all the various proposals would amount to—

An hon. Member: You are misleading the people of Canada.

Mr. Martin: I think the hon. member for Don Valley would have to admit that this would have a disastrous effect on the exchange rate—

Mr. Crosbie: Mr. Speaker, a point of order—

Mr. Deputy Speaker: The hon. member for St. John's West (Mr. Crosbie) on a point of order.

Mr. Crosbie: Mr. Speaker, I was at this committee hearing and the governor of the Bank of Canada refused to give any opinion of what a higher deficit might do to anything. He said it would all depend on the circumstances, the rest of the economy, and he gave no answer to us. The hon. gentleman

comes in here and tells the House that he made an answer, that it would be thus and so. He refused to answer that question. This is a deliberate attempt to mislead members of the House—

An hon. Member: Order.

Mr. Martin: Mr. Speaker, I did not realize that we were in sort of a committee of the whole procedure—

Mr. Gillies: You started it.

Mr. Martin: I did not realize I was the one who interrupted—

Mr. Alexander: You made the mistake.

Mr. Martin: I touched a nerve, Mr. Speaker, and there was all kinds of response—

Mr. Crosbie: By not letting us speak.

Mr. Martin: I want to come back to the point raised by the hon. member for St. John's West. The governor did say in his opening remarks, and I have quoted this on the record, but I will do it again:

> —more exports, more import replacement, a lower current account deficit, less dependence on foreign capital, more output, more jobs, even higher government revenues and lower government deficits than we would otherwise have.

This was a clear indication that what has happened has helped keep government deficits down—

Mr. Alexander: Let us call it six o'clock.

Mr. Martin: Obviously we are touching a nervous point in the opposition—

An hon. Member: We are always nervous when you speak.

Mr. Martin: —in connection with this whole exchange rate area. The facts speak for themselves. In the course of my remarks I will put more facts on the table.

The economy of Canada is behaving extremely well in most sectors. We do have certain problems. We do have regional unemployment problems. We recognize those. Not everything is perfect. There is no country in the world where everything is perfect. Nevertheless the statistics have been put on the record, and will be put again, that internationally as compared with seven other industrialized nations which the Leader of the Opposition named during the throne speech debate last fall, we placed either first or second in most important economic sectors—

An hon. Member: Six o'clock.

Mr. Martin: Those are facts. A lot of this has resulted from a lower exchange rate. I am not saying whether 83 cents or 85 cents or any particular rate is perfect. I do not know what is perfect—

An hon. Member: Right.

[Mr. Crosbie.]

Mr. Martin: But the point is that the lower exchange rate has helped achieve some of these favourable results—

Mr. Deputy Speaker: Order, please. I have to inform the hon. member that it being six o'clock I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

Mr. Martin: Mr. Speaker, before continuing my remarks I wish to raise a very brief question of privilege. On two separate occasions during the course of my comments prior to the supper hour I was distinctly referred to as a liar, by two members of the opposition. One was good enough to withdraw that unparliamentary comment, the other was not. I wonder if the hon. member for St. John's West (Mr. Crosbie) could be given the opportunity to do so before I continue my remarks.

The Acting Speaker (Mr. Turner): Order, please. The Chair will take it under advisement and the hon. member can raise this again tomorrow after we have had an opportunity to look at the blues.

Mr. Martin: Mr. Speaker, I examined the blues over the supper hour. That is how I know the comment is in there.

I had indicated in my comments some of the supporting evidence that abounds across the country as to how well the economy of Canada is doing. I pointed out certain exceptions and problem areas to which the government is addressing itself. It is not at all unusual for a country to have specific problem areas.

I want to review for the record some of the very positive aspects of the past ten years in which this government has been in power. In the latest ten-year period for which figures are available, 1968 through 1977, Canada had an average annual real growth in gross national product of 4.6 per cent. Contrary to what the hon. member for Don Valley said, it is important to examine our progress in an international context. We do not live in a vacuum. During that same period, real growth on an annual basis in the United States was 2.9 per cent. Only Japan had a rate of growth higher than ours.

● (2010)

Perhaps a more significant figure is the increase in real personal disposable income during that period. For Canadians, real disposable income per capita increased by 51.9 per cent. The comparable figure for Americans was 24 per cent, less than half.

The growth in employment in Canada has also been strong. Since 1970 the number of jobs in the country has increased by 23 per cent, or more than two million. At the same time the

U.S. had an increase in employment of 15 per cent, Japan 5 per cent, and in Germany the number employed fell by 6 per cent.

Since the OPEC shock of 1973 only one industrialized nation in the world has had a gain in employment every year. That was Canada.

What about the current state of the economy? Last year real growth in Canada was about 3½ per cent. Admittedly, it did not measure up to expectations. But that was largely due to the increase in food prices and the rise in the prices of things we import caused by the lower exchange value of the dollar, both of which were difficult to forecast. But at the same time our competitive position in the world improved as a result of a much better cost performance and the important trade benefits flowing from devaluation. These contributed to a recovery of profits, the replenishment of corporate liquidity, and a general firming of the stock market.

It might be appropriate at this point to interject one of two comments by people who presumably would not necessarily be labelled as Liberals but who are independent surveyors of the Canadian economic scene. The first is John McCallum. He indicated that the 85-cent dollar is a bright spot in the otherwise dismal prospects for the recovery of the Canadian economy. That is an important point to mention:

> If devaluation is thought to be permanent it may be profitable for a company to switch from foreign to Canadian suppliers; it might be profitable to expand sales in the United States; it might be profitable to expand capacity in order to increase export sales or to compete with imports on the home market.

I could go on to quote other comments. I will mention one or two. Jack McArthur, another well-known financial columnist, posed the question: "Does Canada teeter between boom and bust?". He indicated that wage gains were shrinking and employers' expenses per item were falling. Manufacturers were planning to invest more money in their production capacity, a very positive sign, quite contrary to the kind of information the hon. member for Don Valley was putting before us. He indicated that the decreased value of the dollar was the most drastic thing that had ever happened to the country. The lower dollar makes Canadian products more competitive. Again, I am quoting Jack McArthur.

Vincent Egan, another business writer, said surplus predictions are positive and that exports are good because of the dollar's decline. Foreign exchange reserves have been rising, he says.

Wood Gundy anticipates a slower rate of inflation in Canada and a very significant decline in interest rates. This is very positive stuff.

The Chairman of the Toronto Stock Exchange, Mr. Michael Curry, said the substantial drop in the Canadian dollar would help restore the international competitiveness of Canadian goods. I would match the chairman of the Toronto Stock Exchange against the hon. member for Don Valley at any time. Both are from the Toronto area. The former is positive and the latter is negative. Says Mr. Curry, Canadians will switch to lower-priced Canadian goods; however, we must keep wage settlements down and concentrate upon our economic strengths.

The Toronto *Star*, a paper which is not always favourable to the Liberal government, said in an editorial recently that an 85-cent dollar should help jobs. Again in the Toronto *Star* we read the heading "Silver Lining Seen in Sliding Dollar". In another article recently headed "Drop in Dollar is Bad, Right? No, It Means More Jobs" the paper discusses examples of companies which have been given a big boost as a result of the lower dollar. Among them we find Airbone-Arconas which produces contemporary furniture, Westeel-Rosco which manufactures sheet metal construction products, Dominion Textile which today employs 675 more workers than it did a year ago, and Noranda Mines—every drop of one cent in the dollar leads to $5 million in profits after tax.

The list continues. Savage Shoes have hired about a hundred new workers, fish sales are up, the packing industry has benefited, pulp and paper earnings have risen as have those of electrical manufacturing companies. The steel industry and cement producers are benefiting. Mr. Speaker, I could spend an hour quoting these excerpts.

Some hon. Members: Go on!

Mr. Martin: The hon. member for Don Valley and I both come from Toronto area ridings. For whatever reason, he is not standing for re-election. The point I want to make is that his stories of gloom and doom will gain a good deal of press attention. I just hope that some of our positive information will gain equal attention. According to Eric Nilsson, economics chief for the Canadian Manufacturers' Association, the sick dollar may be the best medicine. That is a rather prestigious organization. He is quoted as saying our competitive position has been fully restored. Even tonight, before representatives of the Canadian Chambers of Commerce, there was reference to government spending.

The opposition proposes to increase the deficit by 50 per cent—just for a few months, so they say. I quote from one of the Chamber's releases:

> The government's commitment to extreme restraint must be continued and intensified. We are encouraged by the emerging national consensus to restrain public spending.

This is something of prime importance to the Minister of Finance, a man the hon. member for Don Valley had the nerve to say had been the worst Minister of Finance to come before parliament—I don't know whether he said since confederation. The policies which the minister and government have adopted are policies which all sectors of the economy today are endorsing as being the right and positive course to take at this time.

I should like to quote again from a study document issued by the C. D. Howe Institute. Discussing the dollar, the report stated:

> In summary, an exchange-rate realignment may bring about fundamental changes in a country's competitive position that can lead, over the longer term, to important changes in its industrial structure. The depreciation of the Canadian dollar over the past two years opens the door for major new investments in a broad spectrum of exporting and import-competing industries. What is more, the

response of workers and firms so far has been to accept the initial price and cost disadvantages arising from a depreciation. This significantly improves the probability that the depreciation of the Canadian dollar will be the foundation for new industrial activity rather than the source of a new wave of inflation.

Again, Mr. Speaker, this is far from the doom and gloom kind of news that this debate was intended to purvey to the Canadian public.

We are already witnessing renewed strength in business investment. Contract awards, industrial and commercial building permits and new orders for machinery and equipment all point upwards. During the last year inventories have gone down while shipments have started rising rapidly. The result is a demand for increased production to rebuild stocks.

Despite a general slack in the economy, some industries are already running into supply constraints. Steel, pulp and paper, lumber, shoes and textiles are running at or close to full production.

Our manufacturing sector has become a source of real strength in the economy during the last 12 months. Capacity utilization, which was at 83.6 per cent in 1977, expanded to 87.4 per cent by the fourth quarter of 1978. Output is up 9 per cent over a year ago and manufacturing employment is up by nearly 7 per cent, or 125,000 jobs. How can we relate that kind of information with the information put on the record by the Leader of the Opposition and his five financial critics who are members of the financial variety club opposite? I just do not understand it, and I think there comes a point at which the Canadian people do not understand it either.

● (2020)

An hon. Member: Try us.

Mr. Martin: Earlier this afternoon the Leader of the Opposition quoted from a speech by Mr. McLaughlin, but he just quoted one of the negative parts of it. Mr. McLaughlin and the governor of the Bank of Canada disagree on the benefits of the lower exchange rate. That is fair enough. They are both knowledgeable and able people. On balance, however, the governor of the Bank of Canada probably has a heavier and broader responsibility than Mr. McLaughlin. After all, he is protecting the interests of Canadians at all income levels whether they be bank shareholders or ordinary workers on assembly lines. His responsibility is much more complex than that of Mr. McLaughlin.

In his speech to the 110th annual meeting of shareholders on January 11 Mr. McLaughlin stated:

From a world perspective, the standard of living and the quality of life for virtually all Canadians remain very, very high. Our land is at peace. We walk the streets safely. Our institutions are increasingly responsive to local concerns. Governments are remarkably free from corruption. We have freedom of speech and a level of political liberty unrivalled anywhere. We may judge the level of governmental expenditure to be excessive, but we have reason to be proud of our care and concern for the disadvantaged in society.

I might interject that government expenditure is not nearly as excessive now as it would be if the official opposition took over.

[Mr. Martin.]

He went on to say:

We have fine educational institutions. We have a business community which has high standards of honesty and social responsibility, as well as vigour and efficiency. We are rich in natural resources, have a skilled work-force, and are one of the world's major trading nations. Our growth continues to outperform most other countries around the world.

Some hon. Members: Hear, hear!

Mr. Martin: I cannot find any strong background to support the doom and gloom information being put forward by the so-called experts opposite, the finance variety club of five. I just do not know where they find information to show that the lower exchange rate is doing us so much harm. One hon. member wants higher deficits, and another wants lower deficits.

I suppose in diversity hon. members opposite find some strange strength. They are all over the map. They do not know where they are going. They have no policies to put forward, so they take a day of this parliament to debate the exchange rate. One of them suggested—I think it was the hon. member for York-Simcoe (Mr. Stevens)—that the rate should go to 90 cents. Last year he was not in favour of a rate of 90 cents. I do not have quotations here, but he was asking questions in the House and indicating that it was a disaster that the Canadian dollar should go to 90 cents. Now he thinks it should be 90 cents. What does he want?

How does the hon. member for York-Simcoe propose to bring the dollar up to 90 cents? Does he propose artificial mechanisms to move it immediately to 90 cents? Does he propose a fixed rate of exchange? Let us hear from hon. members opposite. What are their proposals regarding the Canadian dollar? All they are doing now is criticizing, and their criticism falls on deaf ears more and more across the country because Canadians, by and large, know that they are benefiting at this time from a strong Canadian economy. They know they are benefiting from the strong leadership of the Minister of Finance and of this government.

Some hon. Members: Hear, hear!

Mr. John C. Crosbie (St. John's West): Mr. Speaker, let me start by clearing up one matter. I think the hon. parliamentary assistant said that I called him a liar earlier today. If I called him a liar, what I meant was that he was a Liberal trying to stay in power. That is what I really meant. I know there is very little difference, but I will withdraw the statement he was a liar. He is a Liberal desperate to stay in power, and he will twist and squirm as they all do and as they are doing today to do that.

Mr. Gauthier (Ottawa-Vanier): Who are you, Crosbie?

Mr. Crosbie: This is a motion that is being treated with the utmost contempt by the government. It is a motion that deals with a serious subject, asking the government to give parliament an opportunity to investigate the loss of confidence in the Canadian dollar and the government policies that have reduced our currency to its lowest level in 40 years.

There is no way that the gentlemen opposite can tell the Canadian public that they have not been in power since 1963 because they have, and they bear the responsibility, and they are the people who have to bring forward the solutions until another group takes power, and when we take power we will bring forward solutions.

Mr. Gauthier (Ottawa-Vanier): You will probably switch by that time.

Mr. Crosbie: This afternoon we heard the Liberal line, and the Liberal line was from the Minister of Transport (Mr. Lang). The Minister of Finance (Mr. Chrétien) would have been ashamed to say it. The Minister of Industry, Trade and Commerce (Mr. Horner) would have been ashamed to say it. The Minister of State (Small Business) (Mr. Abbott) would not even have attempted it, but the Minister of Transport in his brazen way came into this House, and I quote his exact words, "this country is in excellent economic shape". Tell that to the one million unemployed. Tell that to the millions suffering from the high food prices and the inflation of last year, the 9 per cent of last year that wasn't supposed to be there. Tell that to the people who are suffering the 15 per cent increase in food prices in the last 12 months. Tell that to the people who are not investing. Tell it to the people who are taking their money out of Canada and investing in the United States and everywhere but Canada. Tell those people that this country is in excellent economic shape. This is exactly the same tack they took in 1972.

In 1972 they went to the people of Canada and they said, "The land is strong." Well, the land might be strong, but it is not Maurice Strong. He has fled the land. That is one Strong that has fled this country, and the people of Canada are not going to believe, the Liberals are not going to be able to persuade them that this country is in excellent economic shape. That is what I call the emperor's new clothes policy of the Liberal party. Remember the old fairy tale of the emperor? The tailor told him that he was putting on a magnificent suit of clothes for him, and the emperor walked down the streets naked because he believed the tailor who told him he had on a fantastic suit of clothes. The people of Canada are walking naked while this crowd tries to persuade them that the country is in excellent economic shape and they have on wonderful economic clothes. Well, they are not going to believe it. They are not so simple-minded as to believe it.

There is another saying, that in the valley of the blind the one-eyed man is king, and the one-eyed man in this conglomeration is Mr. Bouey. He has one eye. He has the monetary eye, and the parliamentary assistant was hiding behind Mr. Bouey today, Mr. Gerald Bouey, governor of the Bank of Canada. He is the one-eyed man, and in this government he is king because the rest of them are blind. They cannot see. They do not know what to do about the economy.

At least Mr. Bouey had the guts to come before the finance committee and stand up for his monetary policy, his monetary policy which he is responsible for, and the government is only part of the story. Whenever we wanted to question him about the government's fiscal policy, about what had led to this concatenation of disastrous economic events, he had to say, "I can't tell you, gentlemen. I can only advise the government. I can't advise you and the people of Canada." The only one that these gentlemen have had the guts enough to push forward is Mr. Bouey. Why doesn't Prime Minister Trudeau come before the committee and give his testimony as to what he has done in the last 15 years?

Mr. Foster: How come Joe wasn't there?

Mr. Crosbie: There is no confidence in the Canadian dollar, no confidence in Canada. Why? How can we have confidence in this Minister of Finance? You ask him a question in the House, you ask the Minister of Finance why the Canadian dollar has fallen to 83 cents, and his answer will be, "Oh, but your leader lost his baggage on his trip around the world." That is what the Minister of Finance of Canada answers serious questions asked him in this House. He comes back with cheap political claptrap. The Minister of Finance is a fine human being, a warm politician. I like him as a politician, but as a Minister of Finance he is a disaster. No one could have confidence in him. He does not answer seriously in this House. Asked serious questions, he comes back with political rigmarole.

Investors read *Hansard*, they watch TV, they read the newspapers, and when they see the incredible lack of answers we get from the Prime Minister (Mr. Trudeau) and the Minister of Finance, the Canadian dollar sinks lower and lower. At least his predecessors treated the job seriously. "Thumper" Macdonald thumped the hell out of the Canadian economy, and John Turner fled to Toronto after his disastrous stint. They did treat themselves seriously. They did not come in here and just give political answers when they were asked questions, but this Minister of Finance acts as a parish pump politician when he is asked questions.

I want to give another quotation, "A disordered currency is one of the greatest political evils"—Daniel Webster. They might take that to heart across the House, and that goes back to the early 1840s. That is true here in Canada. This disordered currency has been caused by the gentlemen opposite. Another quotation which they might remember is a little poem, "Money talks, I'll not deny; I heard it once, it said goodbye". That is the poem that every Liberal minister of finance has practised since he has been in office. On the way coming in and on the way going out, it said goodbye—the huge deficits that these gentlemen have run up.

● (2030)

Now let us just look at why we are in the shape in which we are. I want to quote governor Bouey from his statement of February 6. He is the only one of all the government apparatus who had the courage to come to the House of Commons Standing Committee on Finance, Trade and Economic Affairs. Even there our hands are tied with the ten-minute rule. You cannot question officials for more than ten minutes. When we have the Minister of Finance, he acts like a poltroon. When

you ask him a question for one minute, he answers for nine minutes with this claptrap about "le baggage". He cannot talk about the Canadian economy; he is too ashamed.

Mr. Bouey said in his statement:

A substantial decline in the value of the Canadian dollar relative to the United States dollar had become inevitable because of the higher rate of price and cost inflation in Canada than in the United States earlier in the 1970s.

What government was in power when that happened? It was the gentlemen opposite who were in power in the early 1970s. It was they who presided over the disastrous inflation we had from 1970 to 1975. Our troubles now with the low Canadian dollar were caused by their lack of courage, their lack of policy, their lack of gumption and their lack of guts, just as we are observing now. When those gentlemen have a chance, they will not tell the Canadian people what their policies are driving this country toward. There is an election coming up so they do not want to talk about the policies. They do not have a minute to get up in the House and tell us which of these alternatives the financial experts say they should adopt, because they hope to get to the election before the ass goes out of the Canadian dollar altogether and they have to act again.

Which of these alternatives will they take? Will they export additional energy to the United States? Will they put on temporary tariff surcharges and quotas on imports considered non-essential? Some analysts think this should be done. Will they reduce the duty free exemptions for tourists? Will they eliminate the 15 per cent holding tax on corporate securities issued for a term of under five years? Will they do any of those things, or do they hope to get to the election like a bunch of cowards before they have to face the Canadian people with the consequences of their sick treatment of the Canadian economy for the last ten years?

Some hon. Members: Hear, hear!

Mr. Crosbie: They know that the only way we can come out of this crisis in Canada is by asking the Canadian people to tighten their belts, to sacrifice, and they are afraid to do that before the election. The Chrétien notch is under way now, the increase in food prices. Everyone in Canada is struck now by the Chrétien belt tightening, the 15 per cent increase in food prices because of the devaluation of the dollar. Will these gentlemen declare a moratorium on any further purchases of foreign-controlled Canadian companies by such government owned Crown corporations as the Canada Development Corporation and Petro-Can? What effect on the dollar did Petro-Can's huge purchase of Pacific Petroleum have on our exchange rate? Why was that permitted? These are the questions they should be answering for the Canadian people. Because they are not and because the financial community as well as the investment community know they are not, we have this tremendous pressure on the Canadian dollar, because there is no confidence in the group opposite. The only thing that will change that is a change in government. When we get in, that will be changed.

We do not have enough time here tonight to expand on anything, but if we want to look at a neutral comment let us take a look at what is put out by McLeod Young Weir Limited, the economics department, which sums it all up in the document which they put out on November 17, in which they point out what our trouble is at pages 8 to 15. They say there is a longer-term structural problem—the very large deficit on end products which includes manufactured goods. The government opposite scoffs when we mention the $12 billion deficit in the manufactured end products; it pretends there is no problem at all. The Minister of Industry, Trade and Commerce tried to pretend we are much better off than we were 12 or 15 years ago.

McLeod Young Weir go on to say:

The conclusion then is that our trade balance is constantly engaging in a tug of war between the ongoing surplus for raw materials and the deficit for end products.

They say we have to have a huge surplus of raw and semi-fabricated materials to cover the larger and rising deficit on end products. But the gentlemen opposite will not even recognize the problem, or will not admit that there is a problem.

The document goes on to read:

This, in turn, continues to suggest that Canada has not yet been able to break its foreign trade dependence on its raw material base—a situation which does not bode well for Canada over the longer term.

You, gentlemen opposite, have been in office for the last 15 or 16 years. What have you done about the these long-term problems? You have done nothing. We have always had their short-term political excuses. There has always been the constant desire on their part to stay in power, to do the easy thing, but try to keep themselves in power. This has been illustrated by the parliamentary secretary in the ridiculous speech he made here today.

The document goes on to read:

Where Canada has developed its most visible problems is on the non-merchandise trade balance . . . over-all, Canada's service account deficit increased substantially . . . to $5.7 billion in 1976 and $7.4 billion last year. The erosion is evident in all areas of the service sector but is most pronounced in the interest and dividends section and the travel section.

We have a $4.5 billion deficit on our current account. That is why the Canadian dollar is down to 83 cents, that is why the pressure is on, because there is no confidence in this government which may drive it down further. It is also caused by the fact that we have a huge deficit on the tourist account and a huge deficit on the interest and divident account. The situation is summed up in the following way in this document:

—Canada has run a current account deficit of $3.8—$4.8 billion since 1975 compared to a current account which was in basic balance between 1971 and 1973. In 1977, these deficits were essentially the product of four specific problems.

This is still true, even more so. It goes on to read:

An $11 billion dollar deficit on end products in the trade account, a $3.5 billion interest service deficit, $2.2 billion "other service" deficit, a $1.6 billion foreign travel deficit.

All of these have worsened in 1978, not improved. Then they go on to deal with the outflow of investment from Canada, which is also extremely dangerous.

That is the problem we have, a problem which the government is not facing. What did we hear from the Minister of Finance when he was asked a question about the fact that he is doing all the borrowing abroad? He said, "We are doing this because the provinces are not borrowing abroad as much as they were." In other words, he encouraged the provinces and municipalities to borrow outside Canada. When I was minister of finance in Newfoundland, they were advising the exact opposite—

Some hon. Members: Oh, oh!

Mr. Crosbie: I remember when the gentlemen up here were telling the Newfoundland government, "Do not borrow abroad, it is too dangerous. My God, you have a $200 million deficit, do not borrow any further." Here they are with a $12 billion deficit, they are the worst managers of the Canadian economy ever, giving us this advice. Now they are advising the Canadian provinces. "Borrow abroad all you can. Save our bacon for God's sake. Do not borrow in Canada, go outside, never mind the exchange rate."

Here is one of their own documents by Mr. Fullerton, a Liberal supporter, entitled "Quebec's Access to Financial Markets". At page 9 he shows that of the provincial debt, $70.4 billion, 43 per cent is already owed outside Canada, or $30 billion, and he points out that Quebec, which owes a total provincial debt of $17 billion, because of the part that the province borrowed outside Canada will require $19 billion to repay that debt.

Because of the exchange rate which has gone against the Canadian dollar, Quebec and the other provinces borrowed U.S. dollars years ago, they borrowed in Switzerland and they borrowed in West Germany, and because of the mismanagement of this government, it has cost them four times as much to pay off their debt now as it did when they borrowed the money. That is the danger. The government does not care about that.

In his study Mr. Fullerton points out the following:

> Thus a recorded debt for Quebec of $17 billion, based on Canadian dollars received, would at current exchange rates require $19 billion Canadian to repay it. The exchange rate swing also affects interest costs, raising the nominal interest bill on Quebec's direct and guaranteed debt by some $200 million to its current level of about $1.5 billion . . . but the recent experience does demonstrate the risks inherent in foreign borrowing.

These gentlemen are trumpeting that they are borrowing abroad because the provinces and municipalities are not doing so. In other words, they are saying to the provinces, "Gentlemen, go borrow abroad." Now they have a policy according to which they want Canadians to borrow abroad to save their goods. We owe $106 billion abroad, a net $53 billion. Do you know, Mr. Speaker, that up to 1977 the country's net international debt rose $18.2 billion, an amount that previously it took us 15 years to reach? Now they want us to go further with it.

● (2040)

When they are not borrowing abroad, they want individuals and companies and provinces and municipalities to take all the risks of the exchange rate, a tremendous risk which we have demonstrated, where the Canadian dollar now is depreciated 40 per cent in terms of the German mark and 40 per cent or 50 per cent in terms of the Swiss franc or whatever the Swiss currency is. If one borrowed there five years ago or ten years ago, it would cost two or three times as much to pay back the money. They are telling us today to go ahead and borrow abroad to cover up their own mistakes and errors.

We have only a short time to speak here. The board of economic refugees are not even here to speak tonight. Where are they? Where is the president of the board of economic refugees? Where is the Minister of Industry, Trade and Commerce? They are ashamed to come here. Where is the Minister of Finance? He is scouring down to Washington. Where is the Minister of National Revenue and Minister of State for Small Business? He has fled the place. Where are their economic ministers?

An hon. Member: Where is your leader?

Mr. Crosbie: Where is the Minister of Consumer and Corporate Affairs (Mr. Allmand)? "Allmand" is not even all there, and he is certainly not all here. What about their forecasts, their inaccurate forecasts? Who can believe the outcasts, as I call them, of the Minister of Finance? They are not forecasts, they are outcasts. He says that it is going to be a 5 per cent growth rate. Then it turns out to be 4 per cent, and then it turns out in truth to be 3 per cent. He says that we are going to have a $5 billion current account surplus on merchandise trade and then he says "$4 billion." Then it turns out to be $3.5 billion. He says that the inflation rate is going to be 6 per cent. Then he changed it to 7 per cent, and then it turned out to be 9 per cent. He said that this year it is going to be 6 per cent. Then he said it is going to be 7 per cent, and now it is going to be 7.5 per cent. That is the Minister of Finance of this country. It is a wonder the Canadian dollar has any value at all.

Some hon. Members: Hear, hear!

Mr. Crosbie: If they had any shame, they would go to the Governor General now and clear out. Governor Bouey can only treat the symptoms. To treat the cause of the disease, the people of Canada have to do that. They are the only ones who can do it. They can cut out this canker. They can amputate this incompetence, this mismanagement, this arrogance, this bunch who have brought Canada to its lowest economic state ever. The people of Canada can do that. If they have any guts at all, let us go to the people now, right now. While they are looking at the entrails of the land, the Gallup polls, the "Goldberg" polls, the "Goldenberg" polls or whatever polls they are looking at, they should get their courage up an go to the people so that we can start dealing with the problems which face this country. I say they should get the white feather. They should not come in here with a red rose. They should come in here with a white feather. That is what they deserve. They are afraid of the Canadian public. They are afraid of the Canadian people.

Some hon. Members: Hear, hear!

Mr. Crosbie: The only thing which has gone up while this government has been in is bankruptcies. Bankruptcies have gone up 41 per cent in the last year, 5,500 bankruptcies. The prices of food have gone up tremendously. That is the only thing going up. Everything else is going down. The value of the dollar and everything else is on the way down. Now, the Canadian dollar—how will they explain to the Canadian people the $3 billion spent on importing food every year? That was the amount in 1977. The food index rose 15.5 per cent last year. Canadians on the average spent 21.5 cents out of every consumer dollar on food.

The Canadian dollar has lost eight cents worth of buying power abroad in the last year. As the dollar went down, the cost of imported food went up by that much. Where is the government's policy on this, the 15 per cent which we buy from outside, fresh and processed fruit, 650 million? Are they going to conjure up something which Canadian people can eat in the way of fresh and processed fruit to replace that? Coffee: are we going to grow coffee in Canada to save the $420 million we imported last year? Fresh and processed vegetables, $400 million; meat, $295 million; sugar, $230 million. They have put that added burden on every member of the Canadian consuming public because of their gigantic incompetence and because of the fact that clinging to political power means more to them than the good of this country. That is what they have done. They have not got the guts now to acknowledge it or go to the Canadian people. They just sit over there and smile and simper and they scug along to the end of their five-year term clinging on to power, in their desperate Liberal desire to cling on to power.

Go and test it now. Let us go and test it now to see if Canadian journalists are right or wrong, or what the Canadian people want. They want to be rid of that bunch, believe me. They are waiting for a chance to get at them, and we are waiting for a chance to get at them. They come in here and they treat our motions with contempt as if they are of no importance. We heard the Minister of Transport today and the parliamentary assistant treat with contempt our attempt to have parliament discuss the loss of confidence in the Canadian dollar and government policies which have reduced our currency to its lowest ebb ever. They treat it contemptuously. They do not even have the Prime Minister here. What are their financial and economic ministers? Nothing but second rates. The Minister of Transport is trying to shut up the mouths of the press by throwing the press out in Saskatchewan, the Regina *Leader Post*.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I very much welcome the opportunity to participate in this debate. As I listened to the hon. member for St. John's West (Mr. Crosbie), I wondered whether we should take him seriously or whether we should take his leader seriously. The hon. member for St. John's West claimed to be the finance minister of a previous government in Newfoundland. He claimed to have a knowledge of figures and how they should be used. But, as I looked at the figures and listened to him, I must say I did not gain any confidence. For example, he claimed the government has run up the largest public debt in this country's history. If the hon. member had looked at the figures he would have recognized that it was the former Conservative federal government which has a net public debt—

Some hon. Members: Oh, oh!

Mr. Gillespie: I am referring to 1962. At that time during the Diefenbaker years the debt of Canada was 33.4 per cent of the gross national product.

Some hon. Members: Shame, shame!

Mr. Gillespie: Today the net public debt is 18.9 per cent of GNP.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Gillespie: Anyone listening to the voluble member for St. John's West would have been reminded of a disoriented man. Perhaps it is not altogether surprising. After all, the hon. member had tried to be a Liberal leader in Newfoundland and failed; the door was closed in his face. Then he tried to be the leader of the Conservative government in Newfoundland, and again the door was slammed in his face. Just recently the leader of that government decided to step down, and where did the hon. member find himself? He finds himself in opposition at Ottawa. The hon. member realizes that is where he will stay, in opposition in Ottawa.

Some hon. Members: Oh, oh!

Mr. Gillespie: As I listened to the hon. Leader of the Opposition (Mr. Clark), I wondered whether he expected us to take him seriously. After all, he chose the subject, the time, and the wording of the motion. Also he chose to hold the debate when the Minister of Finance (Mr. Chrétien) was not in the country, knowing perfectly well that the minister could not participate in the debate.

Some hon. Members: Oh, oh!

Mr. Gillespie: Canadians are entitled to ask if the Leader of the Opposition is serious about this question. Why would the Leader of the Opposition have not chosen to have the debate when the Minister of Finance was in the country?

Mr. Gillies: Why is he not here?

Mr. Gillespie: It is quite clear the Leader of the Opposition is not interested in any responsible approach to this important question. The Leader of the Opposition chose to avoid the substance of the debate, just as he chose to avoid the opportu-

nity of attending the hearings of the Standing Committee on Finance, Trade and Economic Affairs when the governor of the Bank of Canada appeared last week. If the Leader of the Opposition had chosen to attend that committee meeting, he might have learned something. He might have learned that there are a number of factors which affect the value of the Canadian dollar. For example, he might have been reminded that the trade balance in Canada and the competitiveness of Canadian industry are important to the value of the Canadian dollar. He might have learned that the health of the United States economy is important to the value of the Canadian dollar.

The Leader of the Opposition might have been reminded that it is the judgment of those outside Canada, of the international investors, the money market managers and those who are trading in foreign currencies—the judgment of those with respect to the political stability of Canada and the question of separation or partition—that determines the value of our currency. It is the judgment of those people with respect to what other people in Canada are saying about Canada, particularly some of those who would hope to be the leaders of Canada and some of those on the other side who I believe, quite properly, can claim to be leaders in this country. Those international judgments—

● (2050)

Mr. Gillies: They have judged the government.

Mr. Gillespie: —have an enormous effect upon the Canadian dollar and they have been judging some of the statements made by the leaders opposite. In my remarks—

The Acting Speaker (Mr. Turner): Order. The Minister of Energy, Mines and Resources (Mr. Gillespie) has the floor, and I suggest we listen to him.

Mr. Gillespie: The hon. member for St. John's West, for example, has referred to Petro-Canada. I would enjoy an opportunity to debate Petro-Canada with him and with the Leader of the Opposition. I cannot help but feel that many leaders outside Canada, for example, our allies and trading partners, the United Kingdom, Germany, France, Italy and Japan must wonder about this country when the Leader of the Opposition would destroy the national oil company at a time when they are trying to build national oil companies in their countries to protect the energy security of their people.

These people and also the people in banking businesses abroad are asking why would the Leader of the Opposition put himself in such a completely untenable, unthinking, irresponsible position. There is no time to debate the issues of Petro-Canada this evening, but I am sure there will be plenty of opportunity in the weeks and months to come.

Mr. Gillies: During the election.

Mr. Gillespie: I would like to deal briefly with the four points which I mentioned a moment ago in regard to the question of the trade balance. We have heard a lot of rhetoric and bombast from the other side on this issue. The trade balance, of course, is immensely important, and there is no question that we have had a growing deficit with respect to our balance of payments. There is also no doubt as to why that has occurred. Anybody who has been watching the events over the past five or six years would realize that the competitiveness of the Canadian economy and of the manufacturing industry in particular has been seriously eroded because unit labour costs have gone up and were higher on average than those in the key manufacturing sectors of the United States. Furthermore, those wage rates had been rising more rapidly than they had been in the United States.

International market forces have redressed that imbalance by judging the value of the Canadian dollar at a figure less than what it had been six years ago. The market has made the inevitable adjustment to the situation where a sector of the economy becomes non-competitive with its trading partners.

The second factor which I referred to, the health of the United States economy, is not something about which the official opposition talks. To listen to them one would think that the Canadian dollar could exist quite apart from the financial health and growth of the United States economy and that it could develop in Canada quite apart and unrelated to what is happening south of the border. Those who deal with international currency exchanges know that the Canadian economy is a dependent economy in the sense that 70 per cent of its market is with the United States and in the sense that the health of the United States financial markets are important to Canada.

These people also know, but I have not heard it from the opposition, that the United States dollar has been under great pressure for the last two and a half years. For example, if we take 1976 as the base period, the United States dollar has fallen against the yen by 35 per cent; against the Swiss franc by 34 per cent, and against the deutschemark by 29 per cent. I cite these numbers because if there is a weakness, and in theory there has been a serious weakness in the United States dollar, and if the Canadian economy is a dependent economy vis-à-vis the United States, it is not surprising that those who are making judgments about the Canadian dollar would regard the Canadian dollar as a weaker currency than that of the United States.

The official spokesmen on the other side never allude to these points. Nor do they remind Canadians that the Canadian dollar was worth one dollar and 2.86 cents American in October, 1976. They do not remind us that on November 15, 1976, the PQ party, the separatist party of Quebec, was elected to form the government of Quebec. They do not remind us that within two weeks of that event the Canadian dollar dropped to 95.88 cents, the single largest, most precipitous drop of the Canadian dollar in the last two and a half years, the period at which we are looking. I did not hear any opposition speakers in this debate today draw to the attention of the Canadian people the significance and influence of that election on the value of the Canadian dollar. That event more

than any other reflected the dramatic change of view that others had of this country.

How could anyone claim that the policies of the PQ party had no effect on our economy? How could anyone argue that the health of our economy is unrelated to unity? How could anyone offer to negotiate the division of Canada without changing the perception which others have of Canada? Yet that is precisely the position that the Leader of the Opposition and the hon. member for Rosedale (Mr. Crombie) have adopted in recent weeks, a readiness to negotiate the division of this country.

Mr. Baker (Grenville-Carleton): You are straying from the truth, Gillespie.

Mr. Gillespie: Our dollar will climb back, Mr. Speaker, when confidence returns.

Mr. Baker (Grenville-Carleton): You wouldn't recognize the truth if you fell over it.

Mr. Gillespie: The dollar will not climb back through gimmickry. The Tories say that they would prefer to see the dollar at 90 cents.

Mr. Gillies: We would prefer to see it where it floats.

Mr. Gillespie: Of course it will rise up in due course.

Mr. Gillies: When we get a new government.

Mr. Gillespie: The Tories, however, propose to get it there in a rather quicker fashion, by fiddling with the Bank of Canada's accounts and listing our gold assets at a higher figure. I believe that that was a proposal of the hon. member for Don Valley (Mr. Gillies). Confidence cannot be built on gimmickry, it can only be destroyed by an opposition which proposes that it would resort to such gimmickry.

Mr. Baker (Grenville-Carleton): Who writes your speeches, Alastair?

Mr. Gillespie: The government has looked at the proposals of the opposition, and they are, clearly, not serious. The Tories had a chance to put their proposals to the governor of the Bank of Canada and, as the news reports noted, the Tories ran out of questions after the first 15 minutes.

Mr. Gillies: Source? Source?

Mr. Gillespie: The Tories claim to be ready to govern, but have they told the Canadian people through this debate that unit labour costs have helped to make Canadian products non-competitive? Have they told the people that Canadian wage costs have been higher and have been rising in Canada higher than in the United States prior to controls? Have they told the Canadian people that the Canadian dollar has helped to re-establish a cost competitive industry? Have they told the Canadian people that as a result of the Canadian dollar we had a record trade surplus last year of $3.5 billion? There is every indication that we will have a larger trade surplus this year—a trade surplus related to the manufacturing sector, the products sector of our economy.

• (2100)

Have the Tories told the Canadian people that the lower dollar represents an opportunity for Canadian business? Have they told the Canadian people it represents an opportunity for the manufacturing industry, an opportunity which they and we should fully exploit for the benefit of Canada? I do not hear voices on the other side saying to Canadian businessmen, "You have an opportunity as a result of this lower dollar; get out and sell." They want to play politics with that.

In this debate I have not heard that the Tories have told the Canadian people that, as a result of the more competitive Canadian dollar, Canada created over 400,000 new jobs last year. At no time that I can recall, certainly not in the last ten years, has there been that degree of growth in a period when the Canadian labour force has increased by one third, the fastest increase of any labour force in the industrialized world.

The Tories have not come clean with the Canadian people. That is why I have welcomed this debate and the opportunity to put some of these facts on the record. They have not helped Canada at this time. I believe they have distorted the situation in Canada. I think they have emphasized the negative; they have not emphasized the performance and strength of Canada. Theirs has been an erratic voice. At one time their leader was predicting a deficit of $18 billion when he should have known better. Some of his supporters knew better. I believe he tried to correct himself, but it is not clear that he ever did. He must have known that kind of error would be noticed. I regret that he did not take the opportunity to put the record straight. Other people saw and heard that kind of error.

A short while ago the hon. member for Don Valley was arguing that the deficit in Canada was too high and should be lowered. In recent weeks his leader has been arguing the reverse—that the deficit should be greater. Others outside Canada hear these confusing statements, so is it any wonder that those who are making a judgment in respect to the Canadian dollar are confused? These are the people who would claim to be ready to govern. They have shown themselves completely inept in the economic area, and they have shown themselves to be thoroughly irresponsible. They have made knowingly untrue statements.

Not long ago one of the official spokesmen for the Tory party, the hon. member for York-Simcoe (Mr. Stevens), claimed publicly that there were Liberals who were speculating against the dollar. He knew perfectly well that those comments would be heard. I suspect that is the reason he made them. Why else would he have made them? When he was challenged he could produce no evidence, because we knew and he knew that they were untrue. It is that kind of statement made inside Canada by people who claim to be ready to govern that others outside Canada are judging. They are aware that the opposition is creating confusion and is being irresponsible.

The opposition can, of course, choose to ignore the threat of separation, as many of them have. They can choose to make

irresponsible statements, and that to a large extent is why the Minister of Finance—

The Acting Speaker (Mr. Turner): Order, please. I regret I have to inform the hon. minister that his allotted time has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, before the House tonight is a very simple motion to let the Parliament of Canada have an opportunity to take a deep look at the various arguments expressed not only in this country but in other countries about the proper way to handle the economic crisis that faces us at the present time. It is not necessary for me to argue over what the parameters of that crisis are. Every person in Canada knows the extent of the rise in prices in the last four or five years, the extent of the insistent unemployment, and certainly the deficit in our budget. Serious-minded people in every country of the world are debating this fact, but here we are being denied the chance to take a deep look at it.

I thought it would be worth while to put on the record what is happening in other countries. For example, the United States has exactly the same type of policies as we have for coping with the same sort of difficulties. They, too, have a deficit; they, too, have a negative balance in international trade; they, too, have high prices. But what are they doing about these things? Are they keeping them quiet, not mentioning them? Let me read what appeared in the magazine *Saturday Review* on January 6 this year. I shall read it slowly because I think it is our duty to listen to this.

There is a new theory circulating around Washington these days that is riding roughshod over the existing debates of the economics profession and the political configurations of contemporary America. It has ambushed the predictions of political pundits. It has baffled the congressional leadership. It is promoting the political fortunes of its proponents while evoking turbulent reactions from economists of widely differing persuasions. Cabinet officials have been denouncing its prescriptions. And the President has been faced with major legislative challenges to a number of his initiatives—challenges based on this new concept.

What is this new concept that has the whole United States intellectual community in a furor today and has upset Congress to the extent of defeating three major portions of President Carter's budget last month? Do our media show any awareness that there is a great debate going on in the United States over the same subject we are concerned about in Canada? A deathly hush, a silence hangs over this nation. All that is being discussed in the United States is a simple, elementary truth, that for 30 years the economists who have been guiding governments in the United States, Canada and other countries, have been consistently wrong. That is what they are discussing.

Surely the quantitative evidence of the last 20 years in every western nation shows that something is desperately wrong with the theory being used by the advisers of this and other governments on economic matters. I am referring not only to the monetary side, but to the fiscal side which concerns us the most. I say that this subject has been put before the government, this alternative theory has been put before this parliament, as recently as three years ago—the very things they are talking about with great excitement in Washington with the whole Republican party joining in this new theory and a large number of Democrats joining with them, sufficient to defeat the administration in the House on three votes. We did not wait till 1979 to start talking about this theory.

I have the *Hansard* of three years ago reporting the first budget of the Minister of Finance (Mr. Chrétien) when this party, in opposition, tried to give him some alternative theories to those he was getting from his own advisers. I cannot and do not intend to read the whole speech that I made on June 8, 1976, but I should like to put parts of it on the record. I started off by saying:

● (2110)

The hon. member for Waterloo-Cambridge put forward not a new philosophy, but one that was laid clear as an alternative by the Economic Council of Canada six or seven years ago, namely, that when you have a large number of unemployed and 15 per cent or 20 per cent of the plant capacity unused, if you put that group of people to work and put that plant capacity to use, then there is no inflation.

That theory was enunciated by the hon. member for Waterloo-Cambridge (Mr. Saltsman). It was a serious effort on his part to get this debate started. I might say that I have been trying to do so for 15 years, but I stood up and pointed it out and in my own way congratulated him on taking a serious interest in this subject. I then went on to call it by the name that was used in describing his theory by the Economic Council of Canada, the potential budgeting theory. Four or five reviews by the Economic Council of Canada, an institution set up by this parliament to give alternative advice to the Minister of Finance and, the Bank of Canada, mentioned potential budgeting as something that is used when there are unemployment and unsued plant capacity available to produce new wealth to get the country out of its difficulties.

As the hon. member for Don Valley (Mr. Gillies) said this afternoon, you measure a country's performance not against Timbuktu or Japan, you measure it against your potential to produce. If you are producing only 70 per cent or 80 per cent of potential, every dollar that you do not produce must be marked down as a loss forever; that is the human problem of the unemployed, unused plant capacity, the debts and worries of our people.

We would like to know more about this matter we are discussing. For a country in Canada's position, no one knows at what level our dollar should be when it is floating. We have to feel for that point. We would like to get some advice. When this government announced it was going to float the dollar, every party in this House supported that stand. Do not forget it. But what caused the uproar between us was when the advisers to the government got the minister to stand up and say the dollar was still floating when it was not floating. Instead the government was pouring in reserves trying to keep the dollar from going down; it was borrowing money trying to

keep the dollar from going down. But the worst sin of all was to raise the bank rate seven times in less than a year, to raise interest rates, as if that would keep our dollar from going down. Quantitative evidence shows, as the hon. member for Don Valley mentioned this afternoon, that raising interest rates as part of the theory to hold the dollar up has had no effect. That same sort of evidence has been produced in country after country. I am thinking specifically of the United Kingdom. That country has tried raising rates and raising rates, but to no avail.

We as parliamentarians have a responsibility to the people of this country that goes beyond the winning of elections by our party against another party. You would think from the debate in the House this afternoon—from the heckling that we received when our leader was speaking, making a simple request—that this was a ball game. It is not a ball game. This is a matter of serious impact to all the people of country, and I might say to all nations of the west. No one knows the truth for sure. That is why we called for a detailed look.

We congratulate the governor of the Bank of Canada for having the courage to come forward and defend his policies. We know he is worried. We know that he knows about this theory they are debating in the United States. The Economic Council knew about this theory being debated in the United States, as if it were God's word anew. But never is it mentioned by the governor of the Bank of Canada. Never is it mentioned by the Economic Council of Canada, because the big thumb of big brother is on them. Everyone in this House should know who big brother is.

A few years ago in 1972 the battle between the Prime Minister's office and others was lost, but it has been restored in a new way. Big brother now works through a secret gestapo type of organization based on commissars. Each department of government has a commissar that goes past the minister, by the deputy minister, and reports directly back to the Privy Council office to big brother. That is why the civil servants in this city are demoralized and fearful. That is why they are determined in this capital city, where they have always voted Liberal as a matter of faith in their bosses, they are not going to vote Liberal for a long time in view of this type of commissar who is watching over every move made.

Mr. Paproski: Romeo knows about it.

Mr. Hamilton (Qu'Appelle-Moose Mountain): We have a right and duty in this House to be able to draw some advice from people who each have a little to offer. We suspect that the theory that has been operating behind the advisers for government for the last 30 years has been wrong. I know it is wrong because I can add and subtract. It was a Canadian by the name of Mundell who produced this alternative theory. To my knowledge only two members of parliament during the last six years have ever mentioned his name in this House, the hon. member for Don Valley and myself. I recommend to Canadians, speaking for the people of Canada, not for political parties, that they read the efforts that we made in all humility, admitting that we did not know the final answers, in speeches made by myself on July 8 and by the hon. member for Don Valley on July 9. He dealt with the international posture and I tried to deal with the domestic posture. The speech shows four alternative courses which the new Minister of Finance should have considered. I knew in my heart that the chance of having him consider this was very small.

I knew from bitter experience of my own, in government and in opposition, that we were facing a monolithic pyramid which did not allow any difference of opinion. It refused and rejected the advice of the Economic Council of Canada, it looked askance at the Conference Board, it looked down its nose at the C. D. Howe Institute, and it looked down at this new institute of Walter Gordon's two weeks ago. They believe that God created wisdom and he put it into the hands of the 250 professionals who work in the Department of Finance, and God help any economic council or anything else. That is the situation.

We as members of parliament are responsible to the people of our constituencies and to the country as a whole. Are we going to stand by and see ourselves dominated and ruled by a group who have been proven wrong for 30 years?

Mr. Railton: Prove it.

Mr. Hamilton (Qu'Appelle-Moose Mountain): At least in the government that I belonged to we took it up face to face with those who approached us, and we are the only government over the last 30 years that challenged this concept of monopoly of wisdom. We went the full route and fired the governor of the Bank of Canada because he would not consider our views as being worthy.

I speak to you chaps who sit on the government benches. You should have seen what happened on this side then. You should have seen how the scenario worked out; of going to an advertising agency, of getting the cameras all set up, of having a committee of the Senate, getting certain arguments made, and then to bring out the victim who was fired by this great majority of 200 conservative members. A loyal public servant wanted to restrict this economy, stop all goods coming into Canada and raise taxes 25 per cent. They destroyed us as a political party by the techniques of public relations. However, this time the people sitting on the hot griddle are right over there. They have to face the whirlwind. They have to face the fact that they have indoctrinated the people of the big cities to believe that only the Liberals can rule, that God only speaks to the Liberal party.

● (2120)

More and more people are learning it is not the Liberal party that runs this country. It is a group of mandarins who seized control during the war years, and they have extended that control into a complete monopoly. The only way the Liberals can try to control is through the Prime Minister's staff in the Privy Council office, using the technique of a commissar, a gestapo. It is not working, Mr. Speaker, because you can't win unless you know something. What you need is an alternative.

I have a lot of other quotes here, but I think I have made my first point clear. There is an important issue here. I cannot stand here, nor can any other member, and say that I am right, because I do not know. All I know is what we have had from government advisers over the past 30 years has been wrong every time. Look at what happened to Walter Harris, Donald Fleming, and Mitchell Sharp. Look what happened to poor Benson.

Mr. Railton: Look what happened to Joe Clark.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Look at what happened to Donald Macdonald and John Turner. Look at what is now happening to a very fine person, the present Minister of Finance, who comes here and says the most horrible things. The hon. member for Don Valley said that he lost credibility by saying these things. It is worse than that. The fact is that by saying one thing and doing another for ten years, the people of Canada no longer trust the Prime Minister (Mr. Trudeau). That lack of trust is in others too because they hang with the Prime Minister. He is going to leave them twisting in the wind.

Oh, those poor members from Toronto! I can see their problem. There is nothing you can do when a city turns pathological and makes up its mind that it cannot trust the Prime Minister. It will chuck out every Liberal candidate, good or bad. That is not a matter of satisfaction because, as human beings, you hate to see anybody get knocked off when it is not his fault. However, do not come into this House screaming and yelling at us because we simply ask to look at the problem to see whether we can come up with enough information to make a better decision.

We know this is a lame duck government. It is carrying on because it does not have the strength or the will to bury itself. It is a walking dead. They are too fat to fight and too frightened to run. They are paralysed with panic. If I keep this up much longer, people will think I am the hon. member for St. John's West (Mr. Crosbie).

I want to make one point clear. Early last fall the leader of the Conservative party stated in Vancouver that he thought if Canadians had to compete with Americans as individuals, our tax level should be the same. A few weeks later during the by-elections, he said that if we formed the government he would like to make the interest rate on mortgages and taxes by municipalities deductible under the Income Tax Act as it is in the United States. You should have heard the yelling in Toronto. Newspapers, pundits, civil servants and, yes, Liberal candidates all dutifully yelling this is terrible, it is the end of the world. When the votes came in, 50 per cent were Conservative. The people had gotten the message. The significance of that has not sunk in over there.

What our leader was expressing was a policy of reducing taxes to get growth. It was a policy of reducing the taxes to balance the budget. If you reduce taxes when you have unemployed and unused plant capacity, more people go out to work, more taxes are paid, and the budget is balanced. My closing words are a quote.

Mr. Deputy Speaker: Order, please. I must interrupt the hon. member. I have allowed him an extra minute. His time has expired. Does the House give consent to allowing the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hon. member for Westmount (Mr. Johnston) is seeking the floor. I have to recognize him.

Mr. Donald J. Johnston (Westmount): Mr. Speaker, perhaps I misunderstood the purpose of the debate today. I have been waiting patiently since three o'clock in anticipation of somebody in the opposition putting forward some ideas. I attended the committee meeting when governor Bouey was questioned. In fact I questioned him myself. A number of opposition members who are here this evening also had the opportunity of questioning governor Bouey.

The policy of the government and of the governor of the Bank of Canada requires no defence here today. The policy is well known. It has been explained repeatedly. I had assumed that we would hear today even a germ of an idea as an alternative policy that could form the basis of a debate. I have heard nothing.

I listened to Mr. Gillies—

Some hon. Members: Order.

Mr. Johnston (Westmount): —a professional economist, attack the Minister of Transport (Mr. Lang) personally. I heard him attack the Minister of Finance (Mr. Chrétien). He declared the Minister of Finance is the worst in the history of Canada—

Mr. Gillies: An understatement.

Mr. Johnston (Westmount): —that the economy is in a situation of crisis—

Mr. Gillies: True.

Mr. Johnston (Westmount): —and that off the Hill there is no one who believes the Minister of Finance has any credibility.

Mr. Gillies: True.

Mr. Johnston (Westmount): I am often off the Hill. It is apparent to me that the people I talk to do not feel that way at all.

Mr. Gillies: Neither one of them?

Mr. Johnston (Westmount): I think that the Tories must talk to each other and the Liberals must talk to the people.

Mr. Gillies: The only Liberals we can find are on the Hill.

Mr. Johnston (Westmount): The only ideas I heard read into the record by members of the opposition have come from

McLeod Young Weir, and Mr. McLaughlin. Mr. Gillies did not refer to anyone specifically.

Mr. Deputy Speaker: Order, please. I remind the hon. member that he should not refer to another member by name, but by his constituency.

Mr. Johnston (Westmount): Thank you, Mr. Speaker. That is one of the problems of being a new member. The hon. member for Don Valley (Mr. Gillies) referred to those who say that the dollar should be between 88 and 90 cents. I do not think he suggested it was his idea. We have heard from McLeod Young Weir, Mr. McLaughlin, *Saturday Review* and others, but we have yet to hear from the opposition.

● (2130)

I am disappointed in the comments made by the hon. member for Don Valley because I had anticipated we would hear something constructive from him, an examination of different policies. Our position is on record but nothing of any substance was put forward by opposition speakers, nothing specific that we could grasp. Only one single idea was forthcoming from the Leader of the Opposition (Mr. Clark), and I will deal with that in due course.

The reasons for the fall in the value of the dollar back in 1976 are no secret. We all expected the dollar would fall at that time. It had been widely predicted that as soon as interest rates shifted and the differential between Canada and the United States disappeared, it was bound to happen. The situation was compounded by the victory of the Parti Québécois, to which reference has been made on a number of occasions during this debate. In addition, it is well known that labour costs in this country rose dramatically in 1975, settlements in the first half of that year being in the neighbourhood of 18 per cent. Subsequently settlements were reached at lower levels. The competitive position of Canada was the subject of wide debate, and it was broadly felt and recommended that the dollar should find a lower level.

I, for one, see no evil in the devalued dollar. I am surprised that it seems to be an article of faith among the opposition that it should be at a higher level. Naturally, we do not want to see the dollar fall any further.

Mr. Gillies: Why not?

Mr. Johnston (Westmount): There are other factors involved. Mention has been made of the recent policy review of the C. D. Howe Institute which pointed out that a further decline in the value of the dollar could set off another round of price and wage inflation in the country. This is not something Canadians want to see. On the other hand, as one finds when addressing oneself to the business community, there are considerable benefits attached to the present level. Some quotations to this effect were read into the record by the Minister of Transport, I believe. It is perfectly clear that a large and representative cross-section of the Canadian business community is pleased that the Canadian dollar is hovering somewhere in the 83-85 cent range. The evidence is clear for all to see. Our trade balance of $3.6 billion in 1978 bears testimony to the benefits which the lower dollar has brought.

The opposition suggests the value of the currency should rise, that we are in some kind of crisis. Perhaps it will rise. The C. D. Howe report suggests it will do so. The Minister of Energy, Mines and Resources (Mr. Gillespie) indicated this evening that the dollar would undoubtedly rise in due course. But we do not want it to rise too quickly, placing us in the same position as Japan and Germany which are fighting at the moment to deflate their currencies and expanding their monetary aggregates and money supplies in order to bring this about. This is not the answer for Canada. It seems to me it is extremely irresponsible to talk in terms of a national crisis. The hon. member for Don Valley said it was probably the most serious crisis in the economic history of this country. I say that when an economist, as he is, discusses this issue and offers no solutions then he is fully aware that there is no crisis of the proportions he describes.

There are, nevertheless, difficult policy decisions to be made. The choices are not easy. This is a very serious matter and I agree with the last speaker for the opposition that the subject is not one to be taken lightly. I certainly do not take it lightly, because I am concerned about the dollar plunging below its present level. I am equally concerned about its rising too rapidly to higher levels, which would again leave us unable to compete on world markets. The dollar, as it is, is laying the foundation for a strong industrial sector throughout the eighties and, I suggest that to follow any other policy at the moment than the one suggested by the governor of the Bank of Canada would be utter folly. In any event, the opposition has placed no other policy before us for examination, although that is what I had hoped to hear today.

The opposition has had ample opportunity to examine the governor of the Bank of Canada.

An hon. Member: That is not true.

Mr. Johnston (Westmount): There was nothing to prevent any member of the opposition holding discussions with anyone they chose. They are quite entitled to talk to the Canadian Bankers' Association, to economists, to analysts with the C. D. Howe Institute or the Economic Council. They can talk to anybody they please, and they are quite capable of putting questions to responsible ministers based on the information they obtain. But they have not done so. Basically, they are trying to create an inflammatory political situation out of a serious economic matter which the government has openly put forward for examination.

We hear charges that there is secrecy. There is no secrecy here, Mr. Speaker. There is nothing secret about the situation of the Canadian dollar. Nothing is undisclosed. The only secret, Mr. Speaker, and perhaps the best kept secret, is what the opposition's policy is with regard to the dollar, and, for that matter, with regard to other economic measures which they hope to implement, such as the stimulative deficit, about which we have heard so much, and such as laying off something in the order of 60,000 public service employees without

anyone getting hurt by such a move. There are many aspects of the policies of the opposition which really are shrouded in mystery and secrecy. But that is not the case in so far as the government is concerned in relation to the dollar.

Long term solutions are obviously necessary. We have to work together in a non-partisan way to arrive at long-term solutions which will ultimately resolve the problem of the dollar and the other attendant difficulties flowing therefrom. Low productivity presents a serious problem in this country. Reference has been made to the situation in the United States, where productivity is also a serious problem. In fact *The Economist* recently published material which indicated that of the seven largest OECD countries the increase in productivity in the United States was the lowest. Britain was second, and we are the third lowest. That is not a good record. And that is where we have to make a start. We need to establish long-term economic objectives, and I am sure we will do so.

Mr. Gillies: You have had 15 years.

Mr. Johnston (Westmount): I take the view, obviously not shared by members of the NDP, that we require more foreign equity in this country. We have too much debt. One reason why our foreign account balance is in such a deficit position is the tremendous interest burden we must bear. But many object to foreign equity and, as a consequence, there has been a patriation of foreign equity, something which has not helped our dollar situation either. We ought to adopt a series of sound fiscal measures to attract capital into the industrial sector.

Mr. Gillies: Again, you have had 15 years.

Mr. Johnston (Westmount): The government has introduced such programs. This is the kind of thing we should be discussing during the debate today. We also need to control the money supply carefully. I believe the Bank of Canada has done an admirable job in this respect holding the money supply within the limits of the narrowly defined M1. Perhaps the time has come to consider larger aggregates of money supply. These are matters on which it is legitimate to submit a number of varying ideas for consideration by this chamber.

● (2140)

I have not heard any ideas from the opposition except one, and I would like to deal with it very briefly. This afternoon the Leader of the Opposition told us that the program of the Progressive Conservative party to stimulate the economy is to cut taxes. To my knowledge we have heard only one concrete proposal emanating from the official opposition with regard to that tax cut, and it takes the form of mortgage interest deductibility and real estate tax deductibility within certain limits. I, for one, would not say that that is a ridiculous suggestion because at one time I proposed it myself. However, careful examination of that proposal, which I would have thought would have been made by the Conservative party, indicates that it would be a tragedy to inflict it upon the Canadian people.

In terms of the productivity this country requires, and in terms of attracting capital for us to develop the competitive industrial sector which will ultimately result in our dollar's achieving a level which would be satisfactory to all of us at some future date, I submit that that policy is sheer folly.

In the course of the last week a number of us journeyed to Washington to discuss with Americans their experience in this area. I would say that any informed observer—certainly every representative of the U.S. government and every economist of note—was virtually horrified at the prospect of our introducing such a measure in this country. They would do anything to get rid of such a measure in the United States because of the inequities it creates, the social problems inherent in it, and the variety of negative impacts it has upon the American economic scene. Those negative impacts would probably be greater here in Canada. The Americans have lived with this, not really by choice but through inheritance, since 1913, and here we are with the prospect of having it foisted upon the Canadian public by the Conservatives, should they ever attain office.

I do not propose here to review in any great detail the problems with that measure because I do not consider it to be germane to this debate except in one specific area. Specifically, the deduction of mortgage interest and real estate taxes clearly favours high income groups. This proposal would create disposable income, discretionary income for a privileged group which is less likely to invest it in the commodity sector and which might very well be tempted to invest it outside the country. In fact this proposal might encourage the acquisition of more expensive real estate, to the detriment of the industrial sector.

Reference was made to the problems with which our American friends are wrestling. This is one of them. In the United States the amount of capital devoted to the business sector as a percentage of gross national product is something like a third or less than that of Japan. I urge all to look carefully at any plan of this kind, which is the only one which has been put forward by the official opposition. It would not only have a disastrous effect on the country but also on the dollar because it would not accomplish its intended purpose, even if put forward in good faith.

I occasionally refer to a few authors, as do other hon. members. We talk about where the Canadian dollar should be. The hon. member for Don Valley has said that some people tell him it should be between 88 cents and 92 cents. We know the level of our dollar today. Many observers are inclined to use a somewhat more objective yardstick than a gut feeling, pride, or what they can buy eggs for across the border. I have before me, for example, the February edition of "The International Bank Credit Analyst". In it there is a table entitled "Unit Labor Costs", which one can find in a number of other publications as well. One can see that labour costs per unit in output in Canada, adjusted for the exchange rate, are very marginally less than those in the United States today, making us almost dead-on competitive. So, I suggest that it is no accident that the Canadian dollar is fluctuating between 83 cents and 85 cents. That is not a crisis. The only people in

Canada who see this as a crisis and dwell upon it daily are members of the opposition.

I think an objective study would suggest that when the dollar begins to be sold at 83 cents or less, it would be undersold. On the basis of that I would be very surprised to see the dollar drop to the level of 79 cents, which I believe was mentioned by the Leader of the Opposition this afternoon.

I do not think there is any reason to panic. This is a time to roll up our sleeves and get to work. It is a time to sit down and debate with members of the opposition who are quite capable of debating these issues, who are knowledgeable in these areas, like the hon. member for Don Valley—to sit down and engage in intelligent debate, not the kind of amusing comic relief we heard from the hon. member for St. John's West (Mr. Crosbie). Admittedly, the hon. member did provide some relief to what I believe was, unfortunately, a rather dismal performance by the opposition in this debate today.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in the few minutes at my disposal I would like to join in this debate. I am disappointed that the government feels that this motion should not have been brought forward and that discussion about what level the Canadian dollar should be at should be reserved for the financial pages and for the tourist when he buys his American or British money at the bank.

Our dollar is at its lowest level in 46 years. Forty-six years ago we were at the height of the great depression. Even then the dollar remained so low only for a few months. During the time of the depression the Canadian economy was agricultural and agrarian in nature, but then our economy was much smaller than those of other industrialized countries of the west. I think it is significant that our dollar is devalued to 83 cents and that many knowledgeable people argue that it could drop to 79 cents. I think this is something for us to worry about or, at least, discuss. Whatever we may think, what the traders of the world think of the stability of our economy and how good it is, is important.

We have had deficits in the billions in federal budgets for the last few years. Ministers of finance have consistently underestimated their budgetary deficits and inflation rates. The Anti-Inflation Board said that inflation would be down to 4 per cent, but it is more than double that amount. I think it is nonsense to make such predictions in the first place. There does not seem to be a light at the end of the tunnel. If there were, we would be much happier.

The government has made much of the fact that our trade surplus is $3.5 billion. If we examine this, we find that that is really only the percentage increase as a result of the fall in the value of our dollar. Unless the government gets the economy in order, this surplus will soon be lost. It is no secret that we can buy Japanese and German appliances and other products at a cost of only a little more than previously. That is certainly not because the value of our dollar has decreased. Businessmen supplying our markets from outside are not necessarily at much of a disadvantage.

• (2150)

Now, Mr. Speaker, what is essentially wrong? Essentially, too many dollars are being printed, and they are being printed too fast so that domestic inflation is rampant. We have been keeping our interest rate high, as the government of the Bank of Canada has mentioned. He had hoped to control inflation, but it now becomes debatable whether or not the inflation can be curtailed by a high interest rate while at the same time the supply of money is being expanded too rapidly.

There is no doubt that the impetus of the present inflation was fueled by the minority government between the years 1972 and 1974 when the Liberal administration sought to stay in office by buying off, at all costs, the demands of the NDP. These expenditures were not met by borrowing in the money markets but by printing money which in those years financed some 75 per cent of the deficits of the government.

Reliable American estimates show that we have to plan for a 7 per cent inflation so far as the United States is concerned. It is suggested that almost certainly the deficit in the United States will be much bigger, in excess of $30 billion, and will end up closer to $40 billion. But the American position seems good compared with ours. The rule of thumb relating to an economy ten times our size involving $40 billion, would indicate $4 billion, but our deficit is some two and a half times the projected American deficit. Our balance of payments problem is even worse than theirs. They have some $29 billion, ours is closer to $4 billion or $5 billion, which in their terms would be $40 billion or $50 billion.

The message for all of us is clear. Governments must control their spending. It is no use borrowing huge sums of money to be paid back at a future date when we have this gigantic deficit.

Can we consider the indexing problem and the built-in outlay in government expenditures? Governments must control expenditures even when that is socially undesirable. Even when expenditures are politically very desirable, their total effect on the economy must be assessed. In periods of rapid inflation, total indexing should be brought into question. In Canada, governments at all levels are involved in vast transfer payments, not only right across our society but across all the regions of the country.

The indexing of personal income tax raises serious problems. The possibility that an indexed income tax would make a government more aware of its responsibilities and more prudent in its budget managing makes it desirable, if governments would heed warnings. It is obvious that the tax structure is out of balance. Perhaps it should be realized that decades ago we lived in a very stable economy when taxes were raised through consumption taxing.

In the last two decades the exchequer collected money largely through the income tax system. This was based on the theory that those who earn more should pay more. This was considered a fair tax. Now some 60 per cent of total federal and provincial revenues are raised through the income tax vehicle. But this has its disadvantages. A heavy tax discour-

ages productivity, and all our indices indicate that the productivity in our country is not rising as rapidly as previously. Furthermore, the income tax is inflationary in itself, and having enriched the government tax coffers it has given false signs of a healthy economy. High marginal income taxes encourage the underground economy. It operates outside the tax system and gives benefits to individuals without requiring them to pay their share of the tax.

Now, Mr. Speaker, the falling dollar is of great concern to all of us. Although we have a surplus of over $3 billion in our merchandise trade, it is still not enough to cover our foreign exchange deficits. The falling dollar makes the payments of dividends and interests to foreign borrowers expensive. The government has intervened to the extent of some $5 billion this year, and I understand the minister is now going to Japan to incur a further large loan. Furthermore, foreign borrowers cannot be paid off by debasing the currency. A $1,000 Canadian government bond of 1971 was worth $500 at the end of 1978.

There are one or two things I would suggest, in the short time I have, on the balance of payments problem. We should be looking at the short-term natural gas exports to the United States. To those who suggest we should not export energy, I would answer that energy is a commodity like any other. We are exporting a large amount of energy in the form of food and grain. Furthermore, in western Canada we have a large amount of grain on our farms. If we can get it to the ports, it can be sold, thus helping our economy.

The government might consider facilitating the inflow of money to Canada. One suggestion would be the abrogation of the 15 per cent withholding tax of short-term money, say up to five years. This action would not incur retaliation by our trading partners as might occur if foreign exchange controls were instituted. The government and the minister should be much more vehement that foreign exchange control not be put in place. Last week in Brussels we were told by bankers that the very thought of foreign exchange controls would mean that Europeans would withdraw their money.

In order to give my NDP colleague a few minutes in which to speak, Mr. Speaker, I will conclude my brief remarks. I appreciate very much having had the chance to put my ideas on record.

Mr. Bob Rae (Broadview): Mr. Speaker, in the very short time remaining to us I want, first of all, to express my appreciation to the hon. member for Dauphin (Mr. Ritchie) for his courtesy in allowing me the three minutes in which to wind down the debate.

The purpose of my intervention is simply to draw attention to a couple of very important discrepancies in the case presented by the government throughout today. Of all the debates that I have had the pleasure of attending in my short time in the House, this has been one of the most painful and partisan experiences through which I have suffered. The government is saying on the one hand that the opposition and events outside its control are responsible for the fact that the dollar is in such a terrible state, and that we should all be good citizens and support the Minister of Transport (Mr. Lang) and the Liberal party because to speak out against the economy is to speak out against the country, and to speak out against the Liberal party is also to speak out against the country. It is all that confusion and arrogance that will be the downfall of the Liberal party in this country. Their confusion consists in thinking that the Liberal party and the state of health of the Liberal party are the same thing as the state of health of the people of Canada.

The fact of the matter is that this government has produced a policy which it cannot justify and explain to Canadians. It is a policy which it has evolved by chance and by happenstance. Now it is attempting to tell Canadians, "We did it all on purpose." They are telling us that they have a floating dollar when they have given it a pair of $5 billion water wings in order to allow it to float. That is the phoniest float I have seen.

An hon. Member: Orderly markets.

Mr. Rae: Orderly markets? That is rubbish, and you know it is rubbish. They know they have engaged in a high interest rate policy because, as the Minister of Energy, Mines and Resources (Mr. Gillespie) said, they have no choice because our economy is dependent on the U.S. and tied to the U.S. economy. This government has done nothing about that condition of our economy for 15 years.

The hon. member for Westmount (Mr. Johnston), who travelled with me to the United States, I am glad to say, gave a very accurate account of our findings there with regard to the Tory mortgage interest deduction proposal, but had the gall to come to the House and put forward certain suggestions as if this government were facing the future with a bright face when in fact it is a tired government which has produced no new ideas. The Liberal party has had 15 years in which to address itself to the structural problems which were so ably described by my leader earlier today.

An hon. Member: We will have a further 15 years.

Mr. Rae: They will have no more 15 years.

• (2200)

The fact of the matter is that the House has not been allowed to examine the record. We do not know the effect of the interest rates. We have been given no calculations to tell us what is the costing of the various options. The governor of the Bank of Canada came before the committee and gave us only one option. Also he paraded the horrors of doing anything else or of considering any other policy. It is time for reform, not only of the financial policies of the government but of the accounting procedures of the House. They do not allow us as members of parliament to have the facts to enable us to judge the policies which the government puts before us. I cannot go back to the people in my riding and in conscience tell them that I know exactly why the government is doing what it is doing, other than the fact the Minister of Finance (Mr. Chrétien) tells us that it is the best thing for Canadians. I am

not satisfied with that, and I do not think the people of Broadview are.

Mr. Deputy Speaker: Order, please. It being 10 p.m. it is my duty to inform the House that, pursuant to Standing Order 58(11), proceedings on the motion have expired.

The hon. member for Edmonton Centre (Mr. Paproski) rises on a point of order.

* * *

BUSINESS OF THE HOUSE

Mr. Paproski: Mr. Speaker, I rise on a point of order. Perhaps some member opposite could tell us what the business of the House will be tomorrow. Are we carrying on with Bill C-35 or Bill C-12?

Mr. Andres: Mr. Speaker, we will continue with the consideration of Bill C-12 tomorrow.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-6, an act to exempt certain shipping conference practices from the provisions of the Combines Investigation Act, to which the concurrence of this House is desired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIR TRANSPORT—CRITICISM OF ENFORCEMENT OF AIR SAFETY REGULATIONS—CALL FOR MINISTER'S RESIGNATION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, the issue I wish to deal with tonight arises out of questions which I directed to the Minister of Transport (Mr. Lang) last Thursday having to do with the administration and enforcement of air navigation orders and standards. It is a very important issue. It is not new. It has been around for quite some time. It has become progressively more urgent, given the disturbing reports which have emanated from time to time over the last year or so.

In order to recap briefly, back in November, 1977, the MOT conducted an in-house investigation into air navigation in northwestern Ontario. Perhaps the results are best described in the edition of the *Globe and Mail* of Monday, November 28, 1977. The article was entitled "Policing of Aviation Rules Inadequate, Violations Common, 2 Investigators Say". Briefly the article reads:

> Aviation safety across Canada, and particularly in northwestern Ontario, is being jeopardized by the Ministry of Transport's failure to adequately enforce air regulations and take action against companies and individuals routinely engaging in illegal and dangerous practices, says a confidential report by two investigators for the federal ministry.
>
> Calling for a complete overhaul of procedures, the investigators said top officials in Ottawa block the attempts of regional safety officers to put a halt to the operations of aviation firms that continually break the law and endanger the lives of employees and passengers.

The article goes on to cite various examples of political interference, and continues as follows:

> Some of their other findings: —Overloading, falsification of log book entries, illegal and unsafe maintenance practices, flying below legal limits in bad weather, flying with insufficient flight instruments "and other illegal and dangerous practices too numerous to list here"—

Certainly that is a damning indictment. What action did the minister take? He indicated that Canada has one of the best records of air safety in the world. He authorized the hiring of 12 aviation inspectors, and he said that he would review the situation.

If we look at the situation, there is a shortage of 60 civil aviation air inspectors at the present time. Thus, if there were any hirings, it would be applied against the aggregate shortage of 60. We have the infamous Bolduc telex, which arose out of an inspector attempting to suspend the operation, wherein he was wired asking him to consider fully the political representations, the possible embarrassment to the Minister of Transport and any other political implications.

Then there was the question of the emergency locator transmitters which the hon. member for St. John's West (Mr. Crosbie) outlined very adequately in the House just last week. Now, Mr. Speaker, we have another report which has surfaced again from within the Ministry of Transport and which again levels a very stinging indictment against the administration and the enforcement of air regulations. To quote briefly from this document:

● (2205)

> Enforcement action is generally unco-ordinated and often haphazard.
>
> There is no clear determination of the role inspectors are expected to play in the enforcement activity even in the case of inspectors specifically assigned to the enforcement function.
>
> Many inspectors shy away from recommending administrative enforcement action—
>
> Agents appointed by the Department of Justice are in the majority of cases inexperienced in aeronautics law and are afforded little support when preparing prosecutions.
>
> The enforcement sector suffers from a severe lack of inspector resources. In some regions only a small percentage of complaints are actioned and in many cases such action is limited to conveying the information to the RCMP.

In the face of all this the Minister of Transport has the gall to say that he can reassure Canadians that the safety standards in Canada are among the highest standards of the world.

That may very well be, but these high standards are not being complied with.

We need a clear definition of the role, function and authority of our civil aviation inspectors. Clearly, we need a policy to recruit more personnel and, clearly, we must move immediately to upgrade the salary scales of these individuals to make their salaries comparable with their counterparts in the industry. The inspectors have been without a contract since 1975. The last time they had a salary adjustment was in July, 1976. I submit that the Minister of Transport has failed to act responsibly and with despatch and that he has failed to provide Canadians with the degree of air safety which they deserve. He has been derelict in his duty, and if he does not have the courtesy to resign he should be removed from office, as far as I am concerned.

Is there any wonder why Canada's level of safety standards has slipped from seventh place to thirteenth place out of 18 nations throughout the world? That fact is not very comforting, and we must ask ourselves how many more lives must we lose before this government acts. People in this country are still shocked and horrified over the Cranbrook disaster, yet we see in the December 21 issue of the Calgary *Herald* this article entitled "MOT Cites Weak Rules in PWA Crash". It goes on to say in part:

> Upgraded air traffic and air-worthiness regulations may prevent a recurrence of the Pacific Western Airlines crash at Cranbrook, B.C. last Feb. 11 that claimed 43 lives—
>
> The official crash report by Ministry of Transport accident investigators cites several instances of weak regulations, primarily in regard to poor communications, that contributed to the crash—

That, sir, is not very comforting either. In fact it is very disturbing and very discomforting, and if this minister, as my colleague, the hon. member for St. John's West indicated in the House last Thursday, is not guilty of wilful and wanton misconduct, then he is pathetically incompetent and should be removed.

Mr. Robert Daudlin (Parliamentary Secretary to Secretary of State): Mr. Speaker, I believe this issue was raised by the hon. member during the question period on February 8, and I believe they tried as well to raise something relating to this issue last Monday in the form of a motion under Standing Order 43.

What the hon. member forgets to remember is that in fact the minister responded to what was viewed as a potential difficulty in terms of trying to police what was happening in the airways by calling for and setting up the task force about which the hon. member has suggested he had some information provided to him even in advance of the results of that task force being made available to the minister. There was some suggestion at the time that, in fact, it was the report of that task force itself which was condemning what was happening in Canada. As the Minister of Transport (Mr. Lang) indicated to the House that day, the task force had not yet drafted any report, and nothing had come to his attention that was the sort of information the hon. member was trying to put forward.

• (2210)

The hon. member speaks of the decline of safety in Canada and of dropping from seventh place to thirteenth place in the world. I do not know where he gets his statistics, but my information is that Canada is within the top five in the world as regards safety. That is something of which to be rather proud.

If one were to accept the hon. member's suggestion that this government and particularly this minister have done nothing, that would be to negate the fact that the minister has set up the task force, recognizing that there is some difficulty with policing. We also have to recognize that in the air as with other modes of transportation, but particularly in the air, one has to rely upon the responsibility and professionalism of the people operating in that environment.

As one who has flown in the IFR environment on a number of occasions as pilot in command, I can say from that experience, and from experience with people who operate in the industry, that the level of professionalism and competence of the pilots in Canada is something we have no reason to worry about. There may be individual instances where transgressions take place and there may be some difficulty with policing these things, but surely the hon. member would not suggest we should have a policeman in every cockpit or a monitor on all the radio waves. There are difficulties inherent with the kind of policing he seems to be suggesting in order that the minister would be able to fulfil his function that actually go beyond reasonable suggestions that could be made by any member of this House.

The hon. member spoke of the ELT question. The ELTs were required by the department after consultation with the industry, and at the request of and with the approbation of the industry. I suggest they were removed only at a time when it was evident that they were a source of potential danger as opposed to being a help. This kind of action belies the position the hon. member is taking when he suggests that the Minister of Transport has been delinquent in his duties. I see that my time has expired, Mr. Speaker.

STATUS OF WOMEN—EMPLOYMENT STRATEGY OF GOVERNMENT

Mr. David MacDonald (Egmont): Mr. Speaker, on January 23 I raised with the Prime Minister (Mr. Trudeau) the matter of the speech of the president of the Canadian Advisory Council on the Status of Women, delivered in Ottawa on January 10, at the regular quarterly meeting of the council. At that time the Prime Minister indicated to me that with respect to the very strong criticism brought forward by the president he had had a report, and he added:

> —I can state unequivocally that either the president was not directing her remarks at the government or else she was unequivocally wrong.

There followed a day or two of fairly intensive debate with the Prime Minister about the validity of the remarks and the accuracy of the remarks. For the record I want to quote extensively from the remarks of the president because I think

it is important that all hon. members realize how strong the criticism was of an advisory body appointed by this government. Mrs. Rousseau began her remarks with this paragraph:

After considerable study, consultation and discussion, I have come to a tragic conclusion: not only are Canadian women excluded from the employment strategy proposed by the Canadian government, but they are subtly evicted from the labour force. This conclusion is all the more bitter in that it questions women's right to work. After ten years of in depth studies, conclusive research and multiple recommendations, such are the facts.

At page 3 of her text she went on to say:

But when we dissect official statements made in time of economic ill-health, we are appalled to see that women are consistently held responsible for the high rate of unemployment, though they fall victims to it more than other groups. Consequently, they are used as scapegoats and as a screen for a chronic inability to redress the economy.

She then raised two questions not yet answered by the Prime Minister or by the Minister of Employment and Immigration (Mr. Cullen), as follows:

Before it was decided to exclude women from the employment strategy, why is it that the CACSW's advice was not asked? Is an advisory council a political ornament? Are there any women on the regional working groups advising Canada Employment and Immigration Commission's sector task forces?

On the next page she asked:

Why are they always ignored in policy planning?

● (2215)

She was referring here to the role of women. In the latter part of her remarks she said:

If government does not know its own objectives, or does not make then known, we know what our objectives are: women's right to training, to work and to employment mobility on an equal footing with men.

Then there is this further question:

Is our role as Advisory Council on the Status of Women recognized, or will the government take our advice only when faced with emergency situations?

I want to remind all hon. members that the criticism that was posed by the president of the Advisory Council did not come lightly. It follows numerous official comments and statements made in recent years. I just want to list three or four that I have before me this evening. Hon. members will recall that on April 10, 1978, the Minister of Finance (Mr. Chrétien) in his budget statement said:

An important reason for the growth of our labour force has been the growing number of Canadian women who are working. Since 1970, the number of adult women in the labour force has increased from 1.9 million to 2.7 million, a rise of more than 40 per cent.

Then on September 8, 1978, detailing the announcements by the President of the Treasury Board (Mr. Andras), the so called Chrétien-Andras statement of that date said:

The strong gains in employment have been matched by continued rapid increases in the labour force as a result of the continued increase in the proportion of women and young people seeking work. Thus the unemployment rate averaged 8.5 per cent over the first half of the year, although it dropped to 8.4 per cent in July.

Then the Prime Minister's comments this year, first on the program "Question Period" televised by CTV on September 8, 1978, in which he said:

There was about 36 per cent of the women working three years ago and now there is 42 per cent of them. But this phenomenon will stabilize at one time . . .

[Mr. MacDonald (Egmont).]

The same thing with the youth problem . . . You know, we're creating and I think we're quite successful in creating jobs but I have to admit that we cannot create them as fast as the people come into the labour force.

Finally at the end of the year on September 28, 1978, in a conversation with Bruce Phillips broadcast by CTV, the Prime Minister said:

—the labour force is increasing because of immigration, immigration to Canada, because of what is called participation rate which really means that the percentage of young people and women who want to work now is immensely higher than it was ten or 15 or 20 years ago.

People want to enter the labour force, and they see that that is their answer, O.K., you will have eight per cent unemployed.

Then the Solicitor General (Mr. Blais) on January 29, 1979, in speaking to an international symposium on female offenders, said:

In addition, increased opportunities for women in the labour force brought increased opportunities to engage in a wider range of criminal pursuits.

If there was any doubt about the feeling of either the advisory council or its six parallel bodies, that should have been put to rest on January 29 when a letter was sent to the Minister of Employment and Immigration on behalf of the six provincial bodies and the federal body which says:

Dear Mr. Cullen:

At a special meeting of the leaders of the Advisory Councils on the Status of Women of Canada, Nova Scotia, New Brunswick, Prince Edward Island, Quebec, Ontario and Saskatchewan held in Toronto, January 26, 1979, there was unanimous endorsation of Yvette Rousseau's position that "not only are Canadian women excluded from the employment strategies proposed by the federal government, but they are subtly evicted from the labour force."

That, along with the extensive letter which indicated in detailed terms the anxieties and questions which these advisory bodies had, should let the government know in no uncertain terms the atmosphere which they have created with their subtle and sometimes not so subtle attack on the right of women to a place in the labour force.

To put the other side of the case, a recent report from the C.D. Howe Research Institute, as quoted by Don McGillivray in a recent article, suggested this:

What will it mean for the Canadian economy if women keep joining the paid work force at the rapid rate of the past couple of years?

The pessimistic answer is that it will mean more unemployment. The optimistic answer is that it will mean more economic growth.

What we need from this government is a more positive response to the right of each and every woman to her desire to a full share and an equal opportunity in the market place.

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member who has just spoken and the chairman of the Advisory Committee on the Status of Women share positive and real concern about the place of women in the labour force. But perhaps what they have both done is to misunderstand some government statements. What has been said by ministers, as the hon. member has quoted, is that the participation of women in the labour force has increased very dramatically. This is a fact. It is not a matter of blame, it is a fact. It is a fact which I welcome. I certainly agree with him and with the very positive approach by the C. D. Howe people that

enhanced participation also enhances opportunities for the country. But, in the short term, the very rapid increase in the labour force, which includes young people and women, presents us with the need to create a lot more jobs very quickly.

● (2220)

In the last year something like 340,000 additional jobs were created in Canada, yet we still find ourselves with more unemployment than we want. This is a statement of numbers. It is by no means intended to suggest that either women or young people do not have a right to jobs or that we must not enhance our efforts to create them.

On April 18 last I placed some figures on the record, also in response to a question by the hon. member for Egmont (Mr. MacDonald). They were with regard to the steps being taken in the public service. Tonight I would like to mention some of the steps being taken in the Department of Employment and Immigration at the present time.

The CEIC is working in the area of affirmative action geared toward employers, unions, and women returning to the labour force as well as national women's organizations. Women are being encouraged by departmental officers to look toward training in non-traditional jobs. The over-all strategy and action plans of CEIC reflect an attitude toward encouraging employers to change attitudes that could be disadvantageous in the hiring and promoting of women and to train and accept them in non-traditional areas.

I know that the chairman of the Advisory Committee on the Status of Women whom the hon. member for Egmont quoted is perfectly sincere and indeed to be commended for her fear that women in this time of economic straits may lose what they have gained in the labour force. This is certainly not the policy of the Government of Canada. On the contrary. Far from being excluded from the employment strategy, at the present time there are particular efforts being made in the employment strategy to encourage the participation of women and to continue further this very welcome trend that has developed in recent years.

One might also mention that in 1976 the changes in measuring the labour force survey for the first time began to reflect accurately the participation of women in the labour force. This is an important measurement.

REGIONAL ECONOMIC EXPANSION—DECISION ON FINANCIAL ASSISTANCE FOR SYSCO TO MODERNIZE PLANT

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, this afternoon I quoted from the Cape Breton *Post* of Tuesday, November 28, 1978, in which the Minister of Regional Economic Expansion (Mr. Lessard) was quoted as saying that a decision would be made before the end of 1978 on whether Sydney Steel would get funds for modernization needed to carry out a ten-year sales contract with the Tree Island Steel Company Limited of Richmond, British Columbia.

In answering me today, the minister gave an explanation of some of the reasons for the delay in making the decision, but in effect said, if I understood his French, that he would be taking a proposition before the cabinet in a short time. In my supplementary I tried to impress, through the minister, on the cabinet who will be receiving what is in reality the effects of combined negotiations between DREE officials in Moncton and Halifax, and Sysco management people from Sydney, which have been going on quite intensively for some time, the urgency of a favourable decision for Sysco.

I also want to make it abundantly clear that if the cabinet does not decide to go along with the modernization plan for Sysco, then there is only, in my opinion, one or two alternatives. Eight years ago there may have been three or four, but now it is a question either of modernization, of reducing Sysco to the production of rails only, or close it down. The reduction of the plant to a rail mill operation only would mean that steel blooms would have to be imported from somewhere else and turned into the rail products. This would mean that about 400 employees would remain, out of a present work force of some 3,056.

As well, it is completely unrealistic to depend on spot markets for blooms in order to keep a rail mill going. We must also remember that when Sysco is operating at near its capacity of some one million tons, some 500,000 to 600,000 tons of Cape Breton coal will be used in the plant.

● (2225)

The steel workers and their families in the industrial area have suffered through many crises during the years which culminated in the announcement on October 13, 1967, by the private owners of the plant that it would be closing down. That day is etched in the memories and emotions of all Cape Bretoners and, indeed, of most Nova Scotians, and has always been referred to as "Black Friday".

The provincial government of the day took over the plant. As I have said on many occasions, I think the Cape Breton Development Corporation, which was set up in 1967, should have taken over the steel plant as well as the coal industry. But the federal government failed to do so and therefore it has, in my opinion, a special moral obligation to make sure that the finances for modernization are available and that any needed advisory help is provided to the management team which will have to direct the modernization operations as they evolve.

I do not want to go into the history of the last 12 years of the Sydney Steel plant, or to be vitriolic about some of the decisions which were made. Some of us who were close to Canadian and world steel trends felt that the decision to postpone the installation of modern steel making facilities, such as oxygen furnaces, and experimenting with what is called the submerged injection process, was the most backward and the most harmful of all the decisions which were made during that period. There was, as well, in the early period of the take-over, what the auditor general of Nova Scotia referred to as the declaration of "illusory profits" by the management of Sysco. The psychological effect on the

employees of this latter action was extremely bad; they felt that profits had risen to some $29 million in about a year and a half. I mentioned that these profits were illusory, but their declaration was a prime reason for an unnecessary and uncalled-for strike which occurred in 1972 and lasted some seven weeks.

Given the changing international steel outlook, emphasis was then placed on building a new steel plant on the Greenfield site at Gabarus, Cape Breton Island, sponsored by an international consortium of international steel producers. Time and radically changing circumstances on the international steel scene have shown that the dream of Mr. Ralph Hindson, managing director of the now defunct Cansteel Corporation, the provincial agency responsible for setting up the new plant, was passé.

Attention then returned once again to the modernization of Sysco. In the days when the plant was viable it sold its bread and butter product, namely, steel rails, in large tonnages. The private owners had for a number of years a sort of captive market for its semi-finished steel products in the finishing mills they owned in the province of Quebec. Gradually these mills in Quebec were sold by the private owners to a Quebec provincially-owned company called Sidbec. Eventually, with a growth of basic steel production by Sidbec, these markets were largely lost to Sysco.

What the management of Sysco is trying to do through its ten-year contract is to supply up to 2.4 million tons of billets to Tree Island Steel Company of Richmond, B.C. This contract would be worth about $300 million. Through this and other contracts it could lay a long-term basis for something equivalent to the captive markets for the products of Sysco. This requires basic modernization of the plant at a cost of approximately $150 million, and the restructuring of the debt load caused by the losses incurred during the bad years of 1970.

I am happy to say that the minister in charge of DREE, who told me today that in a very short while he intends to bring a proposition with regard to this matter before the cabinet, seems to be playing a helpful role in the co-operative federalism which alone can save this country. A favourable decision by the cabinet on this issue could lift the morale of both workers and management and encourage them to pursue the goal of an efficient steel plant on the east coast, giving permanent employment to thousands of workers. This, along with the commitments already made to our increasingly vital coal industry and to our reviving fishing industry, is a realistic basis for a new hope for a complete turn around and some meaningful diversification of the Cape Breton economy within the next decade.

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I am happy to reply to the hon. member regarding the Sydney Steel Corporation. I should like to elaborate on the statement made by the minister this afternoon. In the summer of 1978 the government of Nova Scotia made a comprehensive and costly proposal to the federal government for the rehabilitation of the Sydney Steel Corporation.

This proposal was resubmitted to the federal government by the government of Nova Scotia under the Hon. John Buchanan and was discussed between the premier and the Minister of Regional Economic Expansion (Mr. Lessard) on November 28, 1978. At that time the premier and the minister agreed that December 31, 1978, was not a critical decision date for confirmation of a ten-year billet contract between the Sydney Steel Corporation of Nova Scotia and the Tree Island Steel Company of British Columbia. Furthermore, the proposal made to the federal government envisaged a capital rehabilitation program considerably beyond that necessary to meet the requirements of the Tree Island Steel Company.

• (2230)

A working group consisting of officials of DREE and of the Sydney Steel Corporation has been reviewing all aspects of the Nova Scotia proposal, including production capability, markets and profitability. Results of marketing studies, carried out under the current $20 million subsidiary agreement in support of Sysco, have contributed to this evaluation. A number of production alternatives are being costed so as to determine the most viable production options for the Sydney Steel Corporation, given world market conditions for the products that Sysco can produce. At the same time, refinements to the Nova Scotia proposal have been made up to and including January of 1979, and these refinements are also being evaluated.

Mr. Speaker, I should point out to the hon. member, however, that even though the Tisco billet contract may turn out to be attractive, from the point of view of Sysco, this contract in itself would not ensure future viability or profitability for the Sydney Steel Corporation. It will be necessary for Sysco to produce other products for sale in Canada and abroad, on as viable a basis as possible.

I am well aware of the importance to Cape Breton of the Sydney Steel Corporation operation, and I am hopeful that the minister will be in a position in the very near future to propose a federal position to the province of Nova Scotia.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until 2 p.m. tomorrow.

Motion agreed to and the House adjourned at 10.33 p.m.

HOUSE OF COMMONS

Wednesday, February 14, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT SERVICES

LAND REGISTRATION AND INFORMATION SERVICE IN ATLANTIC PROVINCES—MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, I rise in conformity with the provisions of Standing Order 43. In light of the inability of the federal government to explain its unilateral termination of support for the land registration and information service, and its failure to complete its obligations to the three maritime provinces for an up to date land registry system, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That the Prime Minister immediately indicate the increased cost to these three provinces to complete the changeover to this new system or the reversal to the former one, secondly, the lost revenue which would have been forthcoming in the development of a new export technology for the region and, finally, the number of jobs lost in the exodus of many highly trained personnel.

Mr. Speaker: The introduction of such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

REQUEST FOR TERMINATION OF SALE OF NUCLEAR REACTORS TO ARGENTINA—MOTION UNDER S.O. 43

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a motion under Standing Order 43. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House, in light of the failure of the Argentine to subscribe to the nuclear non-proliferation treaty, the fact that the Canadian government seems to be entirely dependent on the information from the government of the Argentine, without any system of monitoring infractions, and the AECL now proposes to provide additional reactors or components of them which can be used for the production of plutonium or nuclear weapon material, urges the Canadian government to refrain from authorizing AECL to proceed with any further sales of reactors or components thereof until the Argentine has accepted the non-proliferation treaty or provided an adequate means of monitoring the use of reactors and components provided by Canada.

Mr. Speaker: Such a motion can be introduced for discussion at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL SECURITY

SECURITY CLEARANCE PROCEDURES—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my motion under the provisions of Standing Order 43 involves the security procedures policy of the federal government.

In view of requirements and procedures involving security as set out in a government security administration manual, section 11-3, which is several years old, and in view of the obvious need to rethink security matters because of the conditions over which several solicitors general have presided during the past few years, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

● (1410)

That the Solicitor General or the Prime Minister indicate on motions, soon, to what extent change of marital status or residence within the past ten years in foreign countries, or having close relatives living within the borders of foreign nations, still impedes an individual obtaining security clearance, so that at least Canadians will know some of the rules which can affect them so drastically.

Mr. Speaker: Such a motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Paproski: Norm Cafik said no.

* * *

CENTRAL MORTGAGE AND HOUSING CORPORATION

CALL FOR AUDITOR GENERAL'S DETAILED INSPECTION OF FINANCIAL MANAGEMENT AND CONTROLS OF CORPORATION—MOTION UNDER S.O. 43

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

S.O. 43

In light of the growing reports in all areas of the country about alleged violations of the National Building Code and charges that CMHC is being forced to operate on a system of patronage, and in view of the serious lack of control in the financial and management procedures of Central Mortgage and Housing Corporation, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House immediately call on the Auditor General of Canada to undertake a detailed inspection of the financial management and controls of CMHC for the last fiscal year and, further, that this House direct the Minister of State for Urban Affairs to make an immediate reference to the standing committee to investigate and examine the reports of the series of articles in the Hamilton *Spectator* entitled "CMHC, the greatest national drain".

Mr. Speaker: Such a motion can be presented for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Paproski: Pierre said no.

* * *

[*Translation*]

BILINGUALISM

REQUEST FOR CONTINUATION OF LINGUISTIC TRAINING PROGRAM IN PUBLIC SERVICE—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

In view of the consequences of the Official Languages Act and since for years this government has based its reputation in Quebec and in French Canada on its intention to implement bilingualism; in addition, since there was no possible justification for the substantial cuts to the budget of the language branch and that such a decision was necessarily interpreted as an admission of the government failure in that endeavour, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That the President of the Treasury Board explain the major reasons which prompted him to reduce the staff of the language programmes branch by 33 per cent while the reductions for the entire civil service were set at 2 per cent, and that this House direct the minister to suspend that decision until a proper inquiry shows that it is sound.

Mr. Speaker: Pursuant to the provisions of Standing Order 43, such a motion can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mrs. Pigott.]

[*English*]

THE CANADIAN CONSTITUTION

SUGGESTION MUNICIPALITIES PARTICIPATE IN PROCESS OF CONSTITUTIONAL REFORM—MOTION UNDER S.O. 43

Mr. Donald J. Johnston (Westmount): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Considering that the major socioeconomic change in Canada since 1867 has been industrialization and urbanization, that the majority of people of Canada are metropolitan dwellers and that the Science Council has estimated that 90 per cent of the Canadian population will live in an urban environment by the year 2000, that municipalities are required to provide an ever-increasing number of essential services to our population, and that municipal governments are closer to the people and provide more essential services to their respective populations than any other level of government, I move, seconded by the hon. member for Stormont-Dundas (Mr. Lumley):

That this House call upon provincial governments to invite the Canadian Federation of Mayors and Municipalities to participate in the ongoing process of constitutional reform with a view to entrenching powers in the constitution so as to provide municipalities with the powers and revenues necessary to permit them to effectively discharge their responsibilities and to provide the services expected of them by the Canadian public.

Mr. Speaker: The presentation of such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Trudeau: Paproski said no.

• (1415)

ORAL QUESTION PERIOD

[*English*]

ENERGY

GOVERNMENT ACTION TO ENSURE ADEQUATE OIL SUPPLIES

Mr. Howard Crosby (Halifax-East Hants): Mr. Speaker, I have a question for the Deputy Prime Minister, in the absence of the Minister of Energy, Mines and Resources.

In the wake of reliable reports that there are to be substantial cutbacks in imports of crude oil and that Imperial Oil will be reducing supplies to the east coast refineries by 25 per cent, and having regard to assurances given in the House by the Minister of Energy, Mines and Resources that the situation is under control, will the Deputy Prime Minister tell us whether cutbacks in imports of foreign crude have occurred or are likely to occur? In any event, what action has been taken by the government to ensure that there are adequate oil supplies?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): I regret I must advise the hon. member that I am not Acting Minister of Energy, Mines and Resources, nor am I his parliamentary secretary.

Mr. Crosby: May I, then, ask the Deputy Prime Minister whether he and his hon. friends are sufficiently organized over there to answer the question either through the acting minister or some other minister? I directed a question to the Deputy Prime Minister, Mr. Speaker, but if he is unable to answer perhaps he could suggest another member of the ministry who might be able to answer.

Mr. Forrestall: Mr. Speaker, I shall raise a question of privilege on this at three o'clock.

[*Translation*]

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, in answer to the question of the hon. member, the Minister of Energy, Mines and Resources clearly indicated in the last few days what our various plans of action are to remedy our import difficulties, and more specifically the plan for oil swaps with the United States. That plan is being applied.

[*English*]

Mr. Crosby: I will direct my supplementary question to the parliamentary secretary. I appreciate that plans have been outlined, but I am asking whether there have been cutbacks and, if so, what is the extent of those cutbacks? Are there likely to be cutbacks in delivery of foreign crude oil to east coast refineries in the near future?

[*Translation*]

Mr. Bussières: Unfortunately, Mr. Speaker, I am not in a position to give the hon. member exact figures. Still, I can tell him that the negotiations are going on, the situation is being monitored and the plan is being applied.

[*English*]

Hon. Robert L. Stanfield (Halifax): I should like an assurance, preferably from the Deputy Prime Minister, if not from the Parliamentary Secretary to the Minister of Energy, Mines and Resources, that this announced reduction of between 25 per cent and 30 per cent in crude oil being imported by Imperial Oil into Nova Scotia and Quebec is, in fact, being made up from other sources.

[*Translation*]

Mr. Bussières: Mr. Speaker, I am unable to give that assurance to the hon. member. I shall obtain the information requested and the minister can give it to him tomorrow.

[*English*]

Mr. Stanfield: Nobody over there is able to give any assurance. I should like to ask who is responsible in the government for making certain that Nova Scotians and other Canadians will receive a fair allocation when oil imports are cut back by a multinational corporation like Exxon. Is anybody over there accepting responsibility for this?

[*Translation*]

Mr. Bussières: Mr. Speaker, as I just said and as the minister already indicated the department is closely monitoring the situation and we are sure that there will not be any shortage of crude oil for the Canadian people.

● (1420)

[*English*]

GOVERNMENT INTENTIONS RESPECTING EXPORTS OF NATURAL GAS TO UNITED STATES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Yesterday, in New York, the Minister of Finance indicated that the Government of Canada might be prepared to increase its commitment for sales of natural gas to the United States following the significant gas discovery at Elmworth, Alberta.

Can the Prime Minister tell the House if the Minister of Finance was stating government policy in New York? In short, is the government prepared to increase exports of natural gas to the United States on anything other than an emergency basis?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that would depend on the report to be made by the National Energy Board. As the hon. member knows, it is the policy of the government to export only that which is surplus to present and foreseeable Canadian needs. Once we have a report on that from the National Energy Board, we will be able to make a policy decision. However, we have in the past and will in the future have a policy to export what is surplus to our needs, particularly if it is needed by our American friends.

Mr. Broadbent: Mr. Speaker, quite apart from what the National Energy Board might conclude after the hearings it has to have on this subject, and after its meditation, I would like to obtain a specific commitment from the government.

Is the Prime Minister aware that the amount of resources leaving Canada in raw form increased from 15 per cent in 1951 to 49 per cent in 1977, representing a net loss, if we had been processing those resources here, of thousands of jobs; and, if so, will he agree that quite independent of what the NEB recommends, the Government of Canada should not agree to increase our exports of natural gas to the United States but should, instead, at long last establish a policy which will maintain that natural resource here and develop a secondary petrochemical industry based solidly on it?

Mr. Trudeau: Mr. Speaker, the hon. member goes back some years to show a statistical trend. I remind him that the premiers of Saskatchewan and Alberta were in the city toward the beginning of this decade, begging the federal government to help them export to the United States, which we did. So, naturally, those figures have to be viewed in the historic context of the premiers of those western provinces wanting to export.

We now have a different view of the energy picture following the OPEC crisis, but our basic policy remains the same: we do not export energy unless it is surplus and in excess of Canada's present and future needs. This policy is established by a quasi-judicial body, the National Energy Board, whose report we await.

Mr. Broadbent: Mr. Speaker, I am sure the Prime Minister will agree that, by definition, surplus is arbitrary in nature. It used to refer to a 25-year period. It may or may not have included reference to the establishment of a petrochemical industry in this country. According to my definition of surplus, we do not have natural gas to export if we take the view that we should be keeping it at home for the development of secondary industry.

Would the Prime Minister agree that we should use any so-called surplus either for the establishment of a petrochemical industry here in Canada or for the rapid replacement of oil on the east coast with gas, so that we can have an assured supply of energy for Canadians living in that part of our country—but not export it?

Mr. Trudeau: Mr. Speaker, by referring to the transmission of gas to eastern Canada, I am happy to see that the New Democratic Party is espousing a policy which is promoted by my party, the building of an Atlantic and Quebec pipeline.

Some hon. Members: Hear, hear!

Mr. Trudeau: The hon. member says he does not accept the idea that there is a surplus, and he says that therefore we should not export. That is our policy, too. If there is no surplus, we will not export. But whether there is a surplus or not will be determined by the National Energy Board. If the hon. member's hypothesis that there is no surplus is correct, then there will be no exports. But if there is a surplus, we will consider what we will do with it.

* * *

● (1425)

[*Translation*]

EXTERNAL AFFAIRS

AGREEMENT BETWEEN CANADA AND UNITED STATES PREVENTING CANADIANS WITH CRIMINAL RECORD STAYING IN UNITED STATES—GOVERNMENT POSITION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. A few days ago, I asked him this question, and he told me he would take it as notice and he would answer later. My question was as follows: on January 1, 1979, an agreement was concluded between Canada and the United States whereby any Canadian who has a police record, no matter how trivial or how old, is forbidden to enter the United States unless he obtains a special authorization certificate. Can the minister substantiate this agreement with the United States and is it a one way agreement or does the same apply to an American citizen who wants to come to Canada?

[*English*]

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, the hon. member should have by now a written response to that question. I regret the fact he has not got it. I suggest it is too complex a matter to describe orally, but if it is not in his hands by later this afternoon, I will look into it personally.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I thank the minister for his answer, but to clarify the situation further can he tell us whether he intends, if it exists, to re-evaluate that situation which has been going on for long enough with regard to Canadian citizens who want to go to the United States?

[*English*]

Mr. Jamieson: Yes, Mr. Speaker, if the hon. member is basing his question on an incident which I think occurred in the last few months, it is being looked into and evaluated now and I will be glad to include that in my response to him.

* * *

PUBLIC ACCOUNTS

EXAMINATION OF ESTIMATES BY AUDITOR GENERAL

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the President of the Treasury Board, but he is not here. He is never on time. I see the Deputy Prime Minister is not here and he cannot answer any questions. So if I may, Your Honour, I will direct my question to the Prime Minister. It comes as a result of the very serious condemnation—

An hon. Member: Where is your leader?

Mr. Alexander: —uttered by the Auditor General when he indicated that as a result of the spending information he now gets, it is really a big gamble for him to certify at the end of the year that the government really spent what it said it would.

I put it to the Prime Minister in this way: this is a crisis situation; it is a matter of chaos. I would like to know what immediate steps the government is planning to take in order to rectify this serious situation which is embarrassing not only to the Canadian people but, more important, to the watchdog of the public purse.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it was very ungracious of the hon. member to mention the absence of the Deputy Prime Minister—he was in his seat a moment ago and had to leave the chamber on House business and will be back in a few minutes—particularly when so many members from the Conservative front bench are absent, including the hon. member's own leader.

Some hon. Members: Hear, hear!

Mr. Trudeau: I notice that even their financial critics are away today.

Some hon. Members: Oh, oh!

An hon. Member: All the good ones are here.

Some hon. Members: Hear, hear!

Some hon. Members: Here he is.

An hon. Member: Hurrah, here is the Deputy Prime Minister.

Mr. Alexander: There it goes again, Mr. Speaker: there is another minister who cannot answer a question, and it is the Prime Minister in this case. I tell him that the Leader of the Opposition has gone to Vancouver to one of the biggest fund-raising dinners ever held in this country.

Some hon. Members: Hear, hear!

Mr. Alexander: Let me ask the Deputy Prime Minister a question on a very serious situation, a question which I just posed to the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Will the hon. member put the question.

Mr. Alexander: Thank you, Mr. Speaker; I just do not understand what is going on there. I would like to put a question to the Deputy Prime Minister regarding the serious allegations and severe condemnation which the Auditor General put before the Canadian people yesterday when he indicated that as a result of the spending information he now gets, it is really a big gamble for him to certify at the end of the year that the government really spent what it said it would.

All I am asking the Deputy Prime Minister to do is tell us what steps the government is thinking about taking in order to bring some order out of the chaos and minimize the embarrassment which the watchdog of the public purse is now experiencing.

Mr. Trudeau: Mr. Speaker—

An hon. Member: Now the Deputy Prime Minister will not answer the question.

Mr. Trudeau: In answer to the second part of the question, the very subject mentioned by the hon. member is now being discussed in front of the Standing Committee on Public Accounts.

In so far as the first part of the question is concerned, I can tell the hon. member that I agree with him: I am sure that if the Leader of the Opposition's trip is like any of his recent ones, it will be a "fun" dinner.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: Who wrote that for you?

RESPONSIBILITY OF COMPTROLLER GENERAL IN FORM OF GOVERNMENT ESTIMATES

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my supplementary question might also be put to the President of the Treasury Board, whom I saw in the restaurant at lunch, but in view of his absence I will address it to the Prime Minister.

Yesterday, before the Standing Committee on Public Accounts, the Auditor General reiterated the absolutely vital importance he attaches to having the Comptroller General responsible for the form of the estimates—the kind of information that is presented to parliament and to the public. This is absolutely essential if he is to restore some semblance of financial management control to the government's profligate spending program.

• (1430)

My question to the Prime Minister is this. On behalf of his minister, will the Prime Minister instruct the President of the Treasury Board that the Comptroller General indeed is to have responsibility for all facets of financial management control in accordance with the type of commitments made by the previous president of the treasury board, the current President of the Board of Economic Development Ministers?

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, in answer to the hon. member, who stayed for only part of the meeting yesterday—

Some hon. Members: Oh, oh!

Mr. Lefebvre: —the Auditor General also said in committee that he is quite happy with the arrangement which has been made, with the trio set up within the Treasury Board secretariat, including the Comptroller General and himself, to bring forth recommendations to the Standing Committee on Public Accounts which, incidentally, is being chaired by a member of the Conservative party.

Some hon. Members: Hear, hear!

Mr. Lefebvre: The Standing Committee on Public Accounts has set up a schedule of meetings on this very important

subject. As the hon. member knows, we hope to bring in an interim report in the next two or three weeks.

Some hon. Members: Hear, hear!

FUNCTION OF COMPTROLLER GENERAL IN OVERSEEING GOVERNMENT EXPENDITURES

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I should like to direct my supplementary question to the Parliamentary Secretary to the President of the Treasury Board, since the Prime Minister seems to know very little about the government's spending program.

As the parliamentary secretary is aware, the Auditor General has made it abundantly clear that he feels he will have failed if he is not able to convince the government of the absolutely vital importance of the Comptroller General being responsible for supplying the data and the kind of information necessary for parliament and the public properly to assess the government's spending plans. When will the parliamentary secretary, if he is able, commit himself to a positive response to the request of the Auditor General? If not, will he at least explain to the House why?

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, again in answer to the hon. member, it is quite apparent the former president of the treasury board, who is sitting in the chamber, made a commitment to that same program. Incidentally, I should like to explain to the hon. member, who does not seem to understand, that this has been the result of a five-year study by the Auditor General of Canada—

Mr. Andre: It is about time something was done.

Mr. Lefebvre: —in conjunction with his very competent staff. Does the hon. member expect the Standing Committee on Public Accounts to make a report within four or five days on this subject after being told that it was a study which took place over a period of five years?

Some hon. Members: Hear, hear!

* * *

[*Translation*]

EXTERNAL AFFAIRS

INQUIRY WHETHER POLICY OF FRANCE VIS-À-VIS CANADA WILL BE MAINTAINED DURING REFERENDUM PERIOD

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, my question is for the right hon. Prime Minister. Following the visit to Canada of the Prime Minister of France, Mr. Raymond Barre, I would like to know from the right hon. Prime Minister whether in the explanation the French Prime Minister gave of the French policy about Canada and Quebec, namely a policy of non-interference and non-indifference, as well as during the private conversations he had with his French counterpart, he discussed whether that policy clearly set out by Mr. Raymond Barre will also be maintained during the referendum period?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, first, no one knows when the referendum will be, so I cannot deal with that aspect of the question. But as far as the visit itself is concerned, I can say it met our expectations in every way, it was a complete success from the point of view of the Government of Canada and, I believe, the government of France. We talked a lot, of course, about economic matters, and particularly in the area of exchanges of high technology, I believe France and Canada both realized we have a lot to learn from one another. But what pleased me most during that trip was to see the French government through its Prime Minister recognize the French fact all across this country, in a preponderant way in the province of Quebec of course, but also among Francophone minorities in other provinces. Talks were held with the government of France and three provinces to get discussions going in three English provinces toward the establishment of French secondary schools for the minorities in those provinces.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

CRITICISM OF PROPOSAL TO REDUCE NUMBER OF RECRUITS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Justice: it concerns the announcement which has been made that there will be a large reduction in the percentage of recruits for the Royal Canadian Mounted Police.

I ask the minister what has been decided in that connection. What is the justification for this course, at a time when holdups and violent crime are so much on the increase and when the services of the Royal Canadian Mounted Police can be so beneficial to the country as a whole?

[*Translation*]

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, the right hon. member is perfectly aware that the Minister of Justice is not responsible for the administration of the RCMP. Consequently, his question should be put to the minister responsible for the RCMP, namely the Solicitor General.

[*English*]

Mr. Diefenbaker: Mr. Speaker, normally that would be a good answer; but as far as the government is concerned it does not seem to matter who is responsible, nobody has any information available for the House.

Now I will ask whoever is responsible for the Royal Canadian Mounted Police, what is the reason for this course being taken at a time when violent crime is on the increase? The Royal Canadian Mounted Police, through the years from the day it was the Northwest Mounted Police to the present, have done so much to preserve Canada from crime waves.

An hon. Member: Who is the responsible minister?

An hon. Member: Oh, it is the Solicitor General.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: This is a big surprise.

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I am pleased to be able to reply to the right hon. member. I know he is very far away from me at most times and therefore has not been able to recognize the alacrity with which I have provided information to the House on previous occasions.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Blais: I point out to the right hon. member that he is not accurate in his basic premise to the effect there has been an increase in the rate of violent crime in Canada. Quite to the contrary; both in 1977 and 1978 there was a decrease.

Some hon. Members: Hear, hear!

Mr. Blais: There has been a decrease per 100,000 of population. There has been a slight increase in the total number but because of the increase in population, per 100,000 of population there has been a decrease. I am very pleased about that, because there is no question it is the result of some very progressive policies adopted by the government and by my predecessors.

Some hon. Members: Hear, hear!

Mr. Blais: In terms of the right hon. member's question, I fully agree with him that the RCMP has been a very salutary force of law enforcement within the country and will continue to be so. There has been a reduction in the percentage of increase as a result of government limitations in terms of its own man-year increase and expenditures. I can assure the hon. gentleman that in most contract provinces there has been a readjustment, so there will not be a demand for an increase in the number of man-years within the RCMP.

● (1440)

Mr. Diefenbaker: Mr. Speaker, if verbosity is the measure for providing information, the minister is a master in this House. I asked him what was the reduction in the number of trainees for this year. What percentage reduction is taking place? At a time like this, when crime is increasing—I am speaking of violent crime, not ordinary crime—why should we reduce the number of trainees to the extent that has been decided upon by this government, and what is the percentage of that reduction?

Mr. Blais: Mr. Speaker, again let me say that I will send the hon. gentleman the figures published recently by Statistics Canada. I am pleased that he has drawn the attention of the country to the fact that there has been a decrease in the rate of violent crime, in terms of percentage. It is true there will be a substantial decrease in terms of total hirings.

Mr. Diefenbaker: How much?

Mr. Blais: Mr. Speaker, we will be hiring during the year, I believe the exact figure is 247 new recruits for the RCMP. That is a substantial decrease, I believe, in that last year the total number was in the vicinity of 500.

Mr. Diefenbaker: That statement is false.

Some hon. Members: Oh, oh!

An hon. Member: Withdraw.

* * *

HAZARDOUS SUBSTANCES

PROTECTION AGAINST USE AND TRANSPORTATION OF POISONOUS CHEMICALS—MINISTER'S POSITION

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to direct my question to the Minister of State (Environment). It has been reported that 300 tons of arsenic trioxide are being shipped by truck from St. Pierre, Manitoba, to Cobalt, Ontario, where it is reported it is to be used in a water process to produce crystallized arsenic and silver.

The citizens of the Cobalt area are naturally very upset by the fact that the Manitoba government is paying part of the shipping charges to dump this arsenic in their community and that the process may contaminate the water levels and their drinking water as well as the lakes and rivers in that area.

What steps can the department take to ensure that the transportation and processing of the arsenic trioxide, a deadly poison, will not endanger the lives and the environment of the community, as well as being a potential disaster during interprovincial transportation?

Hon. Len Marchand (Minister of State (Environment)): Mr. Speaker, the disposal of this arsenic trioxide is really the responsibility of the government of Manitoba. Certain of our officials have been working with them in an advisory capacity only, so I do not know all the details as to how things are being carried out by the Manitoba government.

I would be very happy to look into the situation, but I have been assured by my officials that the methods used by the Manitoba government to dispose of this arsenic trioxide will be safe.

Mr. Peters: Mr. Speaker, they are favourable to Manitoba because it is being dumped in Ontario. We have always had some arsenic there, but we do not need any more. I should like to ask the minister whether a permit has been obtained to move this large tonnage of arsenic by highway, and what safeguards have been demanded by his department in issuing a permit for this interprovincial shipment?

Mr. Marchand: Mr. Speaker, I will look into that. I should remind the hon. member that the Department of Transport has a measure which was introduced not too long ago, which hopefully will be passed by the next parliament, dealing with hazardous products. We have been concerned for some time—

An hon. Member: Bring it on today.

Some hon. Members: Hear, hear!

An hon. Member: We will pass it now.

Mr. Marchand: You would not pass it today, don't give me that kind of bull. We would be happy to bring it on today. I am sure my colleague would be happy to bring it in, if you want to pass it now.

An hon. Member: Through all stages.

Mr. Marchand: Yes, all stages, right now. The bill is ready to go.

Some hon. Members: Hear, hear!

Mr. Marchand: We could pass it now.

An hon. Member: Bring it in now.

Mr. Marchand: I think it is a very good bill that will deal very specifically with the transportation of hazardous products.

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PUBLIC ACCOUNTS

METHOD OF DEALING WITH LOSSES INCURRED AT MIRABEL AND PICKERING AIRPORTS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the President of the Treasury Board.

Considering that the government has plans to write off some $655 million arising primarily from losses incurred at Mirabel and Pickering and, further, that it will incorporate some additional 19 airports into the airport revolving fund—which will have the tendency of hiding the operations of white elephants—and, further, that it is the intention to transform present airport taxes into higher user fees which will, in the process, have a tendency—if it is not the fact—to circumvent parliamentary control, will the minister reconsider this action, particularly in view of the Auditor General's recent comments? Will the minister reconsider this matter and revoke this plan, since it will certainly undermine and further erode parliamentary authority over the public purse?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, my understanding is that this is not a case of writing these funds off. I gather there is a change in interest rate being effected, but this does not involve, as the hon. member alleges or suggests, a writing-off of the funds.

[Mr. Peters.]

Mr. Mazankowski: Mr. Speaker, I see the minister conferring with his colleague, the Minister of Transport. It is obvious he has not looked into this.

In view of the fact that the plan to convert the airport tax to a user fee has the potential of creating a significant fund of money, resulting in a $100 million annual slush fund which would be completely beyond the ability of parliament to control and which could be used by the government in further misadventures like Pickering and Mirabel, does the minister not consider this to be totally contrary to the traditions of parliament and the pleas of the Auditor General?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the question of whether to collect certain amounts of money by way of airport tax, as well as having things like landing fees and other charges, is something which we propose to discuss further with the airlines. Indeed, some of the key people in Canadian airlines have indicated a probable preference for that course of action.

Hon. members should appreciate that this is, in fact, a price for particular services being provided. If a different arrangement, such as having airports as private or Crown corporations, were in place, this sort of charge would ordinarily be negotiated, in terms of the benefits being provided, as an appropriate cost; so there is nothing very exceptional about that procedure.

[*Translation*]

GOVERNMENT EXPENSES RELATED TO MIRABEL AIRPORT—REQUEST FOR COMPLETE REPORT

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is also for the President of Privy Council. In view of the fact that one of my main functions in the House of Commons consists in scrutinizing government expenses and that the Auditor General said yesterday in committee of the House that his office, and I quote:

> . . . could not do its work adequately because reports on government expenses were inaccurate and incomplete.

As the hon. member could see a while ago I cannot even scrutinize, for example, the construction expenses related to Mirabel airport, I would like to know from the minister what immediate steps he intends to take to settle that problem which is very serious for us opposition members?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, we are very concerned by the problem raised by the hon. member and, as my colleague has indicated a few minutes ago to the hon. member for Calgary, it is a matter which the Auditor General as well as the Comptroller General and the President of the Treasury Board have discussed deeply, and I hope to be able to indicate next week what steps we are going to take as a government in relation with budget estimates.

Mr. Grafftey: Mr. Speaker, I have a supplementary.

The Auditor General complained about the fact—and this is hard to believe—that half of the funds administered by the federal government do not appear in the budgetary estimates. I would like to know if the government will soon publish estimates that can be understood by members of the opposition and by average citizens so that the elected representatives of the people can examine government expenditures. I am not talking about the studies. I am asking the minister what specific and immediate action we can expect on the part of the government to correct this situation.

Mr. Buchanan: Mr. Speaker, there is no truth in all this. Indeed, all the details are in the blue book and all the information is available to hon. members. The only thing is that the approval of the House is not required for transfer payments because approval is provided in the appropriate statutes. The figures are available to all members of the House, but what is at issue is the question of approval because the government has already received approval for these transfer payments under the legislation passed by parliament.

* * *

● (1450)

[*English*]

OFFICIAL LANGUAGES

REPORTED CUTBACK IN FUNDS FOR LANGUAGE TRAINING

Mr. Rod Blaker (Lachine-Lakeshore): Mr. Speaker, my question is for the Secretary of State. I advised him this morning of reports circulating in Montreal to the effect that the federal government is cutting back on aid to education funds, particularly second language funds, in the province of Quebec. I referred to the article which appeared in this morning's Montreal *Gazette*.

I would ask the Secretary of State to confirm to the House, first, that the report is wrong and, second, that contrary to the statements made by the Parti Québécois minister of education, the federal government is not cutting back but is, in fact, continuing to make funds available but on the basis of accountability. In other words, the fact is that we are demanding—

Mr. Speaker: Order, please. It sounds as though the hon. member is trying to answer the question at the same time as asking it.

Hon. John Roberts (Secretary of State): Thank you very much, Mr. Speaker, for protecting my right to answer. It is true that in the proposals we have made to the provinces, we are prepared to permit more funds for the duration of the next five-year agreement than were utilized in the past five years. In fact, we have made a commitment as a floor to the expenditure of over $850 million in comparison with $1 billion back in 1970.

The dispute, or the point of contention, between the provinces and the federal government is not basically over amounts of money but over the question of whether there will be true accountability, not to the federal government, but to the citizens of the provinces and the citizens of Canada, to ensure that those funds transferred to the provinces are directed to the expansion of second language and minority education in this country or to extra costs which may flow from providing services in education in both languages in the provinces.

Any attempt to use the proposals of the federal government as some excuse for withdrawing existing educational services would be just that, an excuse, and I might say it would be a form of intellectual terrorism.

* * *

TRADE

OWNERSHIP OF SHIPPING ENGAGED IN EXPORT TRADE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce which arises from his trade negotiations and recent talks with the Chinese and Mexicans, particularly in the area of bulk cargoes such as grains and oils.

In these conversations, did the minister raise the matter of the usefulness, particularly to Canada, of cross-trading or using Canadian carriers in these bulk trades and, if so, with what result?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, in my talks with the Chinese, the question of in whose ships the goods would move was not raised. Of course, in the past China has gone out on the market and hired ships to move Canadian grain. I suppose it was expected they would do that in the future.

Mr. Forrestall: Mr. Speaker, I apologize if this is a representation, so I will put it in the form of a question to the minister. In future negotiations, would he keep in mind the benefit to Canadian carriers who have demonstrated expertise with bulk carriers in hauling some of our own resources in and out of this country?

Mr. Horner: Mr. Speaker, I am a strong proponent of creating as much Canadian content in our exports as possible and that would mean in any case, where it is possible, to move it by Canadian ships if there are Canadian ships.

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CANADIAN NATIONAL RAILWAYS

NAME OF INDEPENDENT AUDITORS EMPLOYED TO AUDIT PENSION FUND ACCOUNT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, may I put a question to the Minister of Transport? On May 4, 1978, the minister accepted a motion that I made to appoint a firm of independent auditors to audit the CNR pension fund. Could the minister now name the firm doing the independent

audit and tell the House when they will be presenting their first report to parliament?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will have to check on the progress being made.

Mr. McKenzie: A supplementary question. Due to the low pensions being paid by the CNR, and the small increases, will the minister make, or has he made, representations to the president of the CNR to make some kind of cost of living adjustment to CNR pensions for the coming year?

Mr. Lang: Mr. Speaker, I hesitate to depart from the long-standing policy of treating this as a matter which is discussed by other parties and not by us in the House.

* * *

LABOUR RELATIONS

ACTION BY GOVERNMENT ON RECOMMENDATIONS RESPECTING SECTOR BARGAINING

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, may I put a question to the Minister of Labour? In view of the fact that the loss of man-days resulting from strikes and walk-outs more than doubled in the first ten months of 1978 compared to 1977—in fact, there was an increase from 2.7 million man-days lost, to 6.4 million man-days lost in the first ten months last year—and because a great number of these strikes are a direct result of the fragmentation of union power, could the minister explain when he intends to act or why he has not acted on the many recommendations dealing with sector bargaining, the most recent being the Bairstow report?

Hon. Martin O'Connell (Minister of Labour): Mr. Speaker, first of all, I should like to express my gratitude, and I think that of my predecessor, for the good work done by the Bairstow commission. I have invited the parties involved in the two industries mentioned in the Bairstow report, the air transportation industry and the grain handling industry, to meet with me soon to discuss an appropriate approach to the recommendations of that commission. I am waiting for their response to my invitation so that we can discuss those recommendations.

Mr. Jelinek: A supplementary question, Mr. Speaker. Surely the minister knows that there were many reports dealing with the subject prior to the Bairstow report. There was the Finkelman report, which was a confidential document, with the same suggestion; so this has been in the works for years and years but strikes continue to increase at an unprecedented rate. I wonder when this government will finally stop studying reports on top of reports and take some steps—

Mr. Speaker: Order, please.

[Mr. McKenzie.]

TRANSPORT

SUBSIDY FOR FARM TRUCKING OF GRAIN—GOVERNMENT POSITION

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to address a question to the Minister of Transport. The report of the Prairie Rail Action Committee made two fairly specific recommendations, one being a government subsidy for farm trucking of grain which would amount to approximately one cent per bushel per mile on anything over 20 miles, and the other for federal government assistance to municipalities where upgrading of rural roads is required.

What has the federal government done about these two recommendations which were put forward one or two months ago?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we have been analysing the implications of these recommendations. I have, personally, been discussing them with farmers and farmers' representatives in order to gauge their reaction, particularly in the context of several of the recommendations of the Prairie Rail Action Committee that these be substitutes for retaining certain lines. The analysis is being completed. I will soon be discussing with my colleagues the appropriate approach to be taken.

Mr. Murta: A supplementary question, Mr. Speaker. The federal government's assistance to municipalities where upgrading of rural roads is concerned is possibly a positive recommendation. Does the minister agree with the other recommendation, that government subsidies for farm trucking of grain taken, as an arbitrary figure, anything over 20 miles, is really fair to the farming community? What specific changes is he considering in that particular recommendation?

Mr. Lang: Mr. Speaker, I think there are recognized difficulties with the proposal, in light of the fact that certain farmers have for several years, or for a long time hauled their grain distances greater than that. I think the context of the Prairie Rail Action Committee recommendation is that these farmers now being affected are having something new suddenly created for them and imposed upon them.

● (1500)

The Prairie Rail Action Committee was guided generally by the principle of not allowing hauling distances to increase beyond 20 miles and their decision on which lines to abandon. It is in that context that this program would have to be reviewed. I would appreciate the hon. member's further opinion after reflecting on that answer.

* * *

FISHERIES

QUOTAS FOR CAPELIN—MINISTER'S POSITION

Mr. Fonse Faour (Humber-St. George's-St. Barbe): Mr. Speaker, the minister is aware of the importance of capelin

stocks to the cod fishery on the east coast and, as such, he will be aware of the serious overfishing of capelin that has taken place over the last couple of years. Can he explain to the House why he did not follow his own scientists' advice to lower last year's capelin quotas?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I do not know where the hon. member got the impression about this year's quotas. I know that the whole issue of the capelin fisheries is the subject of an international meeting of scientists which if my memory is accurate, is taking place in Tokyo right now.

Mr. Faour: Mr. Speaker, I know the minister is aware of the situation that along sections of the southeast coast of Newfoundland there was no capelin run last year and the inshore fisheries sufferred as a result. I know he is aware that the overfishing has been done mainly by foreign seiners along the Grand Bank and Hamilton Bank.

Will the minister assure the House and the Newfoundland fishermen who were seriously hurt last year that foreign seining of capelin will be curtailed on the Grand Bank and Hamilton Bank, and that proper management measures will come out of the meeting in Tokyo and the government will take serious measures to support the cod fishery in this way?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I do not believe the problem is as simple as the hon. member has indicated. I am sure he did not want to mislead the House. The fact is that capelin stocks have been fished much, much less than they have been over the past decade. The problem of the past year is one which the scientists have not yet fully explained. However, I tell the hon. member and the House that if required for conservation reasons, we will do what we did this year, that is, interrupt the fishery before the quota has been taken, and bring it to an end.

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PRIVILEGE

MR. McKINNON—VARIANCE IN ANSWERS TO QUESTIONS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is one of privilege. It affects all hon. members, but most particularly members of the opposition in that they ask more questions in the House than members opposite.

This question of privilege relates to an answer given to me by the Minister of National Defence (Mr. Danson) with supporting evidence given by the Prime Minister (Mr. Trudeau), and another answer which I received to a written question. The variance between the answers is such that it is quite apparent one or another of the answers is false.

To get to the evidence, Mr. Speaker, I received an answer to written question No. 649 from the President of the Privy Council (Mr. MacEachen) or his representative. The question reads:

Did Chancellor Schmidt personally or some of the other bidders ask for a few more months beyond the August 1 deadline to improve their bids on the new fighter aircraft contract, and, if so, which companies submitted additional proposals after August 1?

The answer to that question reads:

I am informed by the Department of External Affairs and National Defence as follows: No.

So the written reply was, "No, Chancellor Schmidt did not ask for an extension nor did any of the other companies." When I saw that answer I set about the necessary research to find written documentation of the opposite approach. May I now present two conflicting pieces of evidence, one from a press conference and one from *Hansard*.

First I quote from a transcript of the Prime Minister's press conference dated November 14, 1978 held in Ottawa. Mr. Jack Best asked a question of the Prime Minister concerning the new fighter aircraft and wanted to know, in view of the postponement of the contract process, how firm and total the government's commitment was to purchase. The Prime Minister answered as follows:

Completely firm and total. If there has been a slippage, it has been at the demand of those who are making bids. When I saw Chancellor Schmidt this summer, he had heard about our inclination to reduce the, I think, seven options to a smaller number and he personally, but this is true of some of the other bidders, asked for a few more months so that they could improve their bids. And, the Department of Defence in agreement with the government just felt that if the bids could be improved even in terms of off-sets to Canada, in terms of the number of planes which could be purchased for a given amount of money or in terms of their efficiency in the performance of certain tasks we would willingly give them a few more months.

As can be seen this is a direct contradiction of the written answer I have received. One must be false. Incidentally, the Prime Minister and Chancellor Schmidt conferred on July 16 and 17, 1978.

In the event a transcript is not enough evidence, I wish to draw Your Honour's attention to page 867 of *Hansard* dated November 7, 1978, where the Minister of National Defence, in answer to a question put by me concerning the new fighter aircraft, said:

As hon. members know, the vendors asked for additional time to submit, we have given them that additional time to submit—

Further along in his statement the minister said:

—if I may state the status now; there has been a deferment to give the vendors an opportunity to resubmit.

So the Prime Minister said yes, the companies, and Chancellor Schmidt personally, had asked for additional time. The Minister of Defence stated yes in the House of Commons.

Now in the House of Commons I have been informed that the answer is no. It is not easy, Mr. Speaker, to determine in this case who is responsible for the falsehood, but certainly there has been a falsehood, and it is my understanding that that means my privilege in this House, and indeed the privileges of all members, have been abused.

The precedent in a case such as this is fairly clear. The nineteenth edition of May's Parliamentary Practice states at page 141:

It is a breach of privilege to present or cause to be presented to either House or to committees of either House, forged, falsified or fabricated documents with intent to deceive such House or committees or to subscribe the names of other persons or fictious names to documents intended to be presented to either House or to be privy to or cognizant of, such forgery or fraud.

I might say that the Chair used this citation in reaching a decision in the case raised before Christmas by my colleague, the hon. member for Northumberland-Durham (Mr. Lawrence), which confirmed that provision of false information to a member of parliament can be an infringement on his ability to carry out his duties. The reply to my question, signed by the parliamentary secretary, was obviously and demonstrably false, unless the statement by the Prime Minister at his press conference and the statement by the Minister of Defence at page 867 of *Hansard* were themselves fabrication.

It is difficult to believe that neither the Department of External Affairs nor the Department of National Defence was not aware of requests from bidders about which both the Prime Minister and Minister of Defence appeared to be completely knowledgeable. I wonder, therefore, what kind of process these written questions go through. Perhaps this answer I received reflects an attempt to mislead me by directly contradicting other information given publicly. Perhaps it reflects the incompetence of those providing the answers, or the impossibility of providing factual replies consistent with those given in the House. In this respect I would ask you to note the brevity of the reply.

We all realize that the government does not have to provide an answer to written questions, but if it does reply surely there is an obligation to make an honest effort to avoid deceptive or completely untrue responses.

In the ruling of December 6, the Chair asked:

Does that lead us to the conclusion that, by virtue of an act or omission, the House, or a member, has directly or indirectly been impeded in the performance of its functions or his duty, or that there has been a tendency to produce such a result? If I so find, then I really have no choice but to find, prima facie, that a contempt has been committed.

I believe in this case, sir, my attempts to follow up and ask questions about the fighter acquisition program have been impeded by the untruthful reply to one of my questions.

If you find I have a prima facie case of privilege, I would move:

That the reply to written question 648, containing an assertion demonstrably at variance with the facts as stated by the Prime Minister and the Minister of Defence, be referred to the Standing Committee on Privileges and Elections for investigation and report.

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I could not quite follow the logic of the hon. member's remarks, but that is not unique.

Mr. Baker (Grenville-Carleton): For you.

Mr. Danson: I tried to follow the sequence of what he was endeavouring to say. Obviously there is no intention to mislead on a fairly straightforward question. I had hoped that since the Christmas recess he would have been asking questions about defence matters, but apparently he has been concentrating on this important point of privilege. Therefore, I would like to take notice of this question and go through the record because it is difficult to follow the written questions on the order paper and the answers given in the House by myself and by the Prime Minister (Mr. Trudeau). Certainly there is no intention to be misleading. We have been as straightforward as one possibly can be on this entire program. I only want to clear up the matter to the satisfaction of the Chair, and possibly some day to the satisfaction of the hon. member.

• (1510)

Mr. Speaker: It is certainly not unexpected that the minister would want some time to examine the matter, to examine the transcripts and deliver his contribution on this question, which is obviously a very important one, at a later date. The matter will stand in abeyance to give the minister an opportunity to do that.

* * *

POINTS OF ORDER

MR. PETERS—SECOND READING OF BILL C-17

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I rise on a point of order. During the question period the minister of the environment indicated that he was willing to proceed with second reading of Bill C-17 to provide a guarantee of safety to the residents of northern Ontario against the shipment of arsenic into that area. I have discussed this with my House leader who has agreed that we will give second reading to the bill without debate in order that it can go to committee and this protection will be available for the people of Cobalt. The members of the Conservative party are very interested in this matter and I am sure they will give second reading to the bill so that the people of Cobalt can be protected against this very deadly and toxic material.

Hon. Otto E. Lang (Minister of Transport): On the point of order, Mr. Speaker, I welcome the suggestion from the hon. member for Timiskaming (Mr. Peters). I would ordinarily have given a speech on second reading of this bill. However, I can make my remarks at the committee. As well, this bill represents a very high degree of co-operation with the provinces. It is one they would welcome. We have had discussions with them on the regulations. This is an extremely good example of federal-provincial co-operation on a very important matter. If the Conservatives and the other parties join in agreement to pass this bill forthwith, we can deal with it effectively in committee and do a great deal of good for the country.

Mr. Jake Epp (Provencher): Mr. Speaker, I do not want to reply with regard to the bill, but as a member of this House I find it somewhat difficult to see this kind of procedure take place on the basis of information that was given by the minister which simply is not in total keeping with what has transpired.

Mr. Speaker: Order, please. We have a point of order raised by the hon. member for Timiskaming (Mr. Peters). He is making a suggestion regarding the passage of a bill. There is no vehicle by which we can debate the matter and disagree. If the House is of a disposition to take the bill through all stages when we get to orders of the day, I will be glad to follow the direction of the House and call it. If there is no agreement to do it at that time under the conditions then set forward, and if the hon. member for Provencher (Mr. Epp) wants to disagree with any statements made during the course of the debate, he is not in any way constrained from doing so. All I can do is determine whether there is agreement to take it. When we come to orders of the day, I will be glad to examine in order to see if there is consent to deal with it in that way.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I feel bound to indicate that this is a matter that we will certainly take under consideration in a most positive way.

While I am on my feet, and since we are dealing with House business, there is a matter with regard to the National Transportation Act which has been on the order paper for some time. I wonder if the Minister of Transport (Mr. Lang) could now indicate whether he is prepared to arrange to refer the subject matter of that statute to a committee where it could be discussed. It is a matter we have been requesting for a considerable period of time. It could be quite helpful.

MR. DIONNE (NORTHUMBERLAND-MIRAMICHI)—STATEMENT MADE BY MEMBER FOR VICTORIA

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, in introducing his question of privilege the hon. member for Victoria (Mr. McKinnon) stated that the question he was raising affected more the members of the opposition than members on this side of the House because the members of the opposition asked more questions. He left a clear impression that members of the opposition carry out their tasks more diligently than members on this side.

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): He did not explain that the very nature of the question period makes it possible for many more members of the opposition to be recognized than members of the government backbenches. That should be on the record.

MR. EPP—ANSWER GIVEN BY MINISTER OF FISHERIES AND THE ENVIRONMENT DURING QUESTION PERIOD

Mr. Jake Epp (Provencher): Mr. Speaker, I want to raise a point of order in the sense that information can be given to the House in the course of the question period which reduces or removes the freedom of individual members because the information given is simply not correct. That happened again today when the minister of the environment indicated that there was a provincial responsibility to move the arsenic from St. Pierre, Manitoba.

I would like to point out to the hon. member for Timiskaming (Mr. Peters) that originally those 300 tons came from northern Ontario, his area of the province. The fact is the arsenic that is there was deregulated by this government. Promises were made by members of this government to remove that arsenic. Those promises have not been lived up to. This minister has not lived up to his obligations. He now says it is a provincial responsibility.

What is the vehicle that an individual member can use to get at one member of the cabinet who makes some statements which are totally denied by another member of the cabinet? Here we sit as members of the opposition. We cannot bring this government to task. They take the privilege and the opportunity to say whatever suits them at any given time and in any circumstances.

Mr. Speaker: Order, please. That is not a point of order. The hon. member will recognize at once that he has a disagreement with or some kind of a criticism of what has been said. It does not constitute a point of order. If he dislikes the quality of answers given or remarks made during the question period, he knows there must be some procedural basis other than simply the occasion to disagree and criticize. There must be some procedural basis of an attempt, as he would have to allege, to mislead the House.

The hon. member for Victoria (Mr. McKinnon) raised a question of privilege which at least in its general terms raises a question of sorts which he has identified and put that to the House to see whether or not, once a contribution has been made from the other side, a question of privilege exists. Certainly it does not exist either in privilege or in order to complain about the quality of answers given in any question period. That is well known. I cannot receive other commentary on that.

MRS. HOLT—STATEMENT MADE BY MEMBER FOR VICTORIA

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, I rise on a point of order. I feel there was a misleading representation made in this House that maligns my reputation in the west. It was made by a western member. My reputation in the House has been damaged. It indicates that I am not acting, questioning, and challenging my own ministers on issues—

Mr. Speaker: Order, please. The hon. member will have to identify the representation to which she is referring.

Mrs. Holt: The hon. member for Victoria (Mr. McKinnon) said in this House that the opposition asks more questions than we do.

Mr. Speaker: Order, please. The fact is that very much by deliberate design and by constant practice opposition members do ask more questions. The House knows at once that that statement, whether or not members may wish to take it up and explain it, is not an inaccurate statement. It is not in any way out of order. There is no procedural basis upon which I can

now entertain disagreement or an attempt to take issue with that statement as though it were a procedural point.

MR. MACKAY—GUIDANCE SOUGHT FROM CHAIR

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I am seeking your guidance as a result of a remark that you made in the course of this deliberation on the point of order or non-point of order. It is simply this. If I understood the Chair correctly, you indicated that there really is no basic amount of information required in an answer from the other side. It is on this that I seek your guidance. If you will bear with me for a moment, I raise this not in a quarrelsome way but as a matter of seeking information.

Mrs. Holt: Don't bear with him, Mr. Speaker, if you can't bear with us.

Mr. MacKay: Mr. Speaker, I will resist the temptation to say that some people are easier to bear than others.

Some hon. Members: Hear, hear!

Mr. MacKay: I do not want to take very much of the time of the House. My point is simply this. Your Honour was dealing with the quality or content of written questions. In the late show the other evening, the hon. member for Victoria (Mr. McKinnon) was asking a question about the bill to be sent to the Soviet Union for the cost of the clean-up. In return, he received an answer that had nothing to do with that. I had an expression—

Some hon. Members: Order.

• (1520)

Mr. Speaker: Order. I have made my disposition and I suggest the hon. member ought to investigate the facts and the background of the matter he is now raising before he takes it any further.

ROUTINE PROCEEDINGS

[*English*]

SHIPPING CONFERENCES EXEMPTION ACT, 1979

MEASURE TO EXEMPT CERTAIN PRACTICES FROM PROVISIONS OF COMBINES INVESTIGATION ACT

Hon. Otto E. Lang (Minister of Transport) moved first reading of Bill S-6 (from the Senate) to exempt certain shipping conference practices from the provisions of the Combines Investigation Act.

Motion agreed to and bill read the first time.

[Mr. Speaker.]

BUSINESS OF THE HOUSE

Mr. Nielsen: I rise on a point of order, Mr. Speaker. The other day the House unanimously passed a motion to concur in the second report of the Standing Committee on Justice and Legal Affairs to expand the committee's terms of reference so as to enable the reconstitution of the subcommittee on penitentiaries in order that the maximum security institutions of this country might be revisited. Now that the government has had an opportunity of studying that motion and that report, can the President of the Privy Council (Mr. MacEachen) give the House any indication when a motion will be brought before the House to give effect to that reference?

Mr. MacEachen: I shall need to have a word with the Solicitor General (Mr. Blais) as to what the next step ought to be, and I will take the hon. member's representations into account.

Mr. Foster: Would the House leader consider referring, "The Management of Canada's Nuclear Waste" to the Standing Committee on National Resources and Public Works? There have been some discussions around the House in this connection, and a number of members on the other side would like to see this reference made. I wonder whether there would be unanimity about having it referred. If that is the case I should like to see the President of the Privy Council (Mr. MacEachen) introduce the appropriate motion because a lot of work has been done by the standing committee and, if the reference were made, the work could go forward.

Mr. Baker (Grenville-Carleton): I have not had an opportunity of discussing this matter with the government House leader. Perhaps he and I might be given an opportunity to consider it together. I am aware of the representations which have been made. Some discussions have been carried on with members of my caucus, and I would expect that if the government House leader is interested in taking the matter up with me I would be very pleased to talk to him about it.

Mr. Knowles (Winnipeg North Centre): I should be happy to join in this conversation. I might say I would do so as one who favours the idea of sending this matter to the committee as quickly as possible.

Mr. MacEachen: Having been so warmly invited to meet with my colleagues I shall be happy to arrange a meeting, probably tomorrow, with a view to dealing with this item and a number of other items which have been raised today in this House, as well as items which are on my own mind in connection with the business of the House.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr.

Speaker, the following questions will be answered today: Nos. 523, 556, 722, 726, 782, 851 and 898.

[*Text*]

IMMIGRATION PROGRAM IN VIETNAM

Question No. 523—**Mr. Epp:**

1. Has Canada established a Consular mission in Vietnam and (a) if so, are immigration officials attached to the office (b) if not, in what manner and in which locations are interviews for immigration purposes conducted?

2. How many applications for Vietnam were (a) received (b) approved in (i) 1975 (ii) 1976 (iii) 1977?

3. What was the number of applications approved under terms of family reunification and how many were accepted as refugees?

Hon. Bud Cullen (Minister of Employment and Immigration): 1. (a) No.

(b) Arrangements for interviews are made through the Hong Kong office; some are processed in Singapore or Seoul and a large number have been processed in the U.S.A. Negotiations are currently being conducted with the authorities in Hanoi with a view to establishing an immigration program in Vietnam. These negotiations have been ongoing over the past two years and it is expected that an agreement could soon be reached whereby immigration examinations may be conducted in Ho Chi Minh Ville (Saigon) and in Hanoi.

2.

(a)	(i)	5,627	(b)	(i)	2,993	
	(ii)	425		(ii)	2,184	
	(iii)	250		(iii)	530	
				Total	5,707	admitted under the special movement as refugees

Although we received 5,627 applications in 1975, not all of them were approved that same year. This is why the totals in 2(b)(iii) are higher than those in 2(a)(ii) and (iii).

3.

Special movement from Vietnam

	Family Reunification	Other Refugees
1975	1,374	1,619
1976	790	1,394
1977	148	382

BILL C-12

Question No. 556—**Mr. McCrossan:**

1. Did the government undertake an actuarial valuation of the combined Public Service Superannuation Account and Supplementary Retirement Benefits Account on the basis of the amendments proposed in Bill C-12, An Act to amend the Supplementary Retirement Benefits Act, the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act and the Members of Parliament Retiring Allowances Act, using either the actuarial assumptions used by Tomenson-Alexander or other appropriate actuarial assumptions and, if so, what is the estimated amount of indexing that will be available for the (a) Public Service (b) Canadian Armed Forces (c) RCMP in the three year period 1979-81 and in subsequent three year periods up to the year 2030?

2. If the Tomenson-Alexander actuarial assumptions were not used, what actuarial assumptions were used?

3. Over the same period, what is the expected annual increase in the cost to the government with respect to the Public Service Superannuation Account resulting from the proposal in Bill C-12 to transfer excess interest on the retired employees share of the Public Service Superannuation Account to the Supplementary Retirement Benefits Account?

4. Will the interest credited to the retired employees share of the Public Service Superannuation Account continue to be based solely on government securities or will it be based on a fairer interest market reflecting investment opportunities available in the market?

5. Has the government considered investing part of the assets of the Public Service Superannuation Account and the Supplementary Retirement Benefits Account in non-government securities because of concern over phantom funding of government insurance plans and, if so, what portion of the funds is the government considering investing?

6. For each year 1972-77, what was the average age of retirement under the Public Service Superannuation Act and how does this average vary by annual salary level at retirement using the salary categories (a) $0 to $10,000 (b) $10,001 to $20,000 (c) $20,001 to $30,000 (d) $30,001 to $40,000 (e) $40,001 and over?

Hon. Judd Buchanan (President of the Treasury Board): 1. No. The basic change to the indexing portion of the program being proposed by Bill C-12 is to remove the currently automatic guarantee of full indexing of pensions to the consumer price index with a system whereby indexing would be limited to the amount of funds available for that purpose; namely the pensioners' share of excess interest earned by the public service superannuation account along with the contributions made by and on behalf of pensioners to the supplementary retirement benefits account. In this way, instead of the funds required depending on the level of benefits, the level of benefits would depend on the funds available for indexing.

In effect the supplementary retirement benefits plan is being converted from a defined benefit to a money purchase type of program. The actuarial implications of the bill for the Public Service, Canadian Forces and RCMP superannuation accounts would be reflected in the regular actuarial valuations the department of insurance is required to make of these accounts.

2. See No. 1.

3. The over-all effect of Bill C-12 would be to reduce the combined government budgetary requirements for the Public Service Superannuation Act and the Supplementary Retirement Benefits Act. Current estimates indicate that the long-term effects of Bill C-12 would likely increase annual budgetary requirements for the Public Service Superannuation Act by 2.5—3.5 per cent of payroll and decrease budgetary requirements for the Supplementary Retirement Benefits Act by a greater amount. More precise estimates of the effect on budgetary requirements would be determined by the department of insurance in their regular valuations of the public service superannuation account.

4 and 5. Operations of the public service superannuation account with regard to the interest earnings and investment media are governed by statute and any proposals to alter the

current arrangements would require legislative action and would be announced in the normal manner.

6. The average age of retirement of contributors under the Public Service Superannuation Act from 1972 to 1977 was as follows:

	Final Salary					
	$0-10,000,	$10,001-20,000,	$20,001-30,000,	$30,001-40,000,	over $40,000,	Overall Average
1972	63.18	62.3	62.44	62.43	66.21	62.93
1973	63.06	62.07	61.79	62.09	64.59	62.66
1974	63.05	61.79	61.10	61.74	60.34	62.33
1975	63.30	62.02	61.13	60.66	60.93	62.24
1976	63.33	62.03	60.93	61.14	62.36	62.05
1977	63.31	62.23	61.00	60.81	61.07	62.06

ENTERPRISE DEVELOPMENT PROGRAM—N.B.

Question No. 722—**Mr. Howie:**

1. Were applications received for financial assistance under the Enterprise Development Programme of the Department of Industry, Trade and Commerce from the Province of New Brunswick and, if so, how many (a) for the fiscal year ended March 31, 1978 (b) from April 1 to December 1, 1978?

2. How many of the applications were approved and what was the total dollar value?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: 1. Applications for assistance under the EDP are received through the programs branch of Industry, Trade and Commerce, the IT&C regional offices across Canada as well as the individual branches of the department. Due to the wide dispersement of applications it is not possible to determine the number of applications received in a particular province.

2. During fiscal 1977/78, two applications were approved from the province of New Brunswick for a total dollar value of $55,132. From April 1978, to December 1, 1978, four applications were approved from the province of New Brunswick for a total dollar value of $71,000.

EMPLOYMENT AND IMMIGRATION—COMMUNITY COURSES IN FREDERICTON

Question No. 726—**Mr. Howie:**

Were any community courses funded in Fredericton, New Brunswick by the Department of Employment and Immigration since January 1, 1978 and, if so, what were they and what was the extent of the funding?

Hon. Bud Cullen (Minister of Employment and Immigration): There were 46 full-time institutional occupational training courses purchased under the Canada Manpower Training Program between January 1, 1978 and October 31, 1978 in Fredericton, New Brunswick. Attached is a list of the courses and their corresponding purchase cost. (Total purchase costs for courses with the same name vary according to the number of trainees enrolled.) The cost of income maintenance paid to trainees is not included.

[Mr. Buchanan.]

Canada Manpower Training Program
Courses Purchased and Purchase Cost
Fredericton, New Brunswick
January 1, 1978 to October 31, 1978

Type of Training	Course Name	Purchase Cost ($)
Skill	Artificial Insemination Technician	—
	Business Education	98,280
	Carpentry	33,892
	Carpet Laying	10,411
	Carpet Laying	25,264
	Cashier Training	3,712
	Dairy Breeders Course	1,000
	Farm Management Training II	1,125
	Forest Ranger	231,660
	Pipefitting	33,892
	Upholstery-Furniture Repair	23,287
	Skill Total	$462,523
BTSD	BJRT (Basic Job Readiness Training)	56,433
	BTSD (Basic Training for Skill Development)	124,152
	BTSD (Native People)	18,811
	Career Orientation For Women	12,135
	Career Orientation For Women	8,694
	BTSD Total	$220,225
Apprentice	Construction Lineman I	4,293
	Construction Lineman II	3,434
	Construction Lineman II	2,642
	Construction Lineman III	2,509
	Construction Lineman III	2,377
	Construction Lineman III	1,981
	Electrical Mechanic I	3,163
	Electrical Mechanic I	2,952
	Electrical Mechanic II	2,952
	Electrical Mechanic II	2,244
	Electrical Mechanic III	2,244
	Electrical Mechanic IV	2,094
	Electrical Mechanic IV	3,163
	Electrical Mechanic V	3,163
	Lineman I	9,919
	Lineman II	4,668
	Stationary Engineer II	1,360
	Stationary Engineer II	2,040
	Stationary Engineer III	1,800
	Stationary Engineer IV	2,160
	Switchboard Operator	2,023
	Switchboard Operator I	1,654
	Switchboard Operator II	3,034
	Switchboard Operator III	1,203
	Switchboard Operator IV	1,820
	Switchboard Operator IV	2,023
	Utility Lineman I	4,822
	Utility Lineman I	4,668
	Utility Lineman IV	3,909
	Utility Lineman IV	3,501
	Apprentice Total	$89,815
Grand Total		$772,563

SINO-VIETNAMESE REFUGEES

Question No. 782—**Mr. Janelle:**

Did the government contribute to the cost of bringing Sino-Vietnamese refugees to Canada from the Hai-Hong and, if so, in what amount?

Hon. Bud Cullen (Minister of Employment and Immigration): The Canadian government did contribute to the cost of bringing 604 Sino-Vietnamese refugees (140 families) to Canada from the Hai-Hong. A fund of $500,000 was approved

by Treasury Board for this project. The total amount spent will not be known before the end of the fiscal year 1978-79.

AGRICULTURE—PROJECTS IN RICHMOND

Question No. 851—**Mr. Beaudoin:**

1. Since 1968, did the Department of Agriculture finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. E. F. Whelan (Minister of Agriculture): 1. No. (a) to (c) Not applicable.

2. No. (a) and (b) Not applicable.

JOB TRAINING PROGRAMS IN NEW BRUNSWICK

Question No. 898—**Mr. Howie:**

1. For the fiscal year 1977-78, how many persons were assisted through employment and immigration in job training programmes in New Brunswick?

2. (a) What were the names of the programmes (b) how many participated in each (c) how many were served through the Fredericton, New Brunswick Office?

Hon. Bud Cullen (Minister of Employment and Immigration): 1. During the fiscal year 1977-78, 12,845 trainees entered into training in New Brunswick, under the Canada Manpower Training Program.

2. (a) and (b) Following are the types of training undertaken and the number of 1977-78 participants for each:

Institutional Training:

Skill—3,529

Language—0

Basic Training for Skill Development (BTSD)—1,156

Job Readiness Training (JRT)—72

Work Adjustment Training (WAT)—4

Apprenticeship—3,202.

Industrial Training: 4,882.

2. (c) A total of 1,344 trainees were served through the Fredericton, New Brunswick office.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, if question No. 550 could be made an order of return, this return would be tabled immediately.

Mr. Speaker: Is that agreed?

Mr. Steven E. Paproski (Edmonton Centre): Yes, Mr. Speaker. While I am on my feet may I say with regard to the motion put forward under Standing Order 43 by the hon. member for Westmount (Mr. Johnston) this afternoon that we on this side agreed with the motion.

[*Text*]

PURPOSE OF VISIT BY DIGNITARIES OF THE REPUBLICS OF MALI, SENEGAL AND MAURITANIA

Question No. 550—**Mr. Jones:**

1. What is the purpose of the visit to Canada of His Excellency Colonel Moussa Traore, President of the Republic of Mali; His Excellency Leopold Sedar Senghor, President of the Republic of Senegal; and Mr. Mohammed El Mocktar Ould Samel, Minister of Planning and Mines of Mauritania and representatives of the President of Mauritania early in November 1978?

2. Is the Canadian government participating either directly or indirectly in a number of development assistance operations in the countries of the Sahel region and if so, what are they?

3. What is the cost of each of the above projects? What portion of the total cost is being borne by the Canadian government? What portion is being borne by other countries? Name those other countries involved with their respective portion.

4. For what purpose is this assistance being given? What benefit will Canada receive from this assistance? Will there be new jobs created for Canadians with respect to this assistance?

Return tabled.

[*English*]

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

Some hon. Members: Agreed.

* * *

[*Translation*]

MOTIONS FOR PAPERS

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

I thought I heard a few "nos" on the side of the opposition concerning the motion of the hon. member for Westmount (Mr. Johnston).

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (SUPERANNUATION) AMENDMENT ACT, 1978

MEASURE TO CHANGE RETIREMENT BENEFIT PROVISIONS

The House resumed from Monday, February 12, consideration of the motion of Mr. Buchanan that Bill C-12, to amend the Supplementary Retirement Benefits Act, the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act and the Members of Parliament Retiring Allowances Act, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I rise to take part in this debate on Bill C-12 not only because of its significance and importance to all of us, especially to those who have dedicated their lives to the public service, not only because I come from the metropolitan area of Dartmouth-Halifax where, next to Ottawa, we have perhaps the highest per capita share of public servants in the country, but for a particular reason. Within my constituency lies one of the largest military establishments in our country. It embraces many thousands of active members of the Canadian armed forces, as well as thousands who are living out their lives on pensions.

I enter the debate with mixed feelings. If the bill does represent a sincere and serious effort on the part of the government—and here I quote the words of the President of the Treasury Board (Mr. Buchanan)—"to firm up the financial underpinnings of the program to ensure we are not stirring up future trouble for taxpayers and public service pensioners" then perhaps it can be welcomed. Certainly it would be needed. There is very real concern abroad in the land with respect to the whole subject of indexation. Concern has been expressed both by the taxpayers and by the public servants.

An hon. Member: You've made it.

Mr. Forrestall: I've made it. Somebody has taken my picture. It is disturbing to see a flash bulb go off. Perhaps it is because the Minister of Justice (Mr. Lalonde) is just leaving the chamber that we are celebrating by taking pictures. Anyway, the taxpayer feels that he or she will be left to pay for what has been described by some over-zealous partisans on this question as overly generous public service pensions. For his part, the public servant feels that protection against the ravages of inflation may now, or at some time in the future, be removed. As I see it, Bill C-12 was intended to dispel both these fears. Even more to the point, I believe the bill will destroy the basis upon which some of these fears have grown—the distortions which have been placed in front of us all. It strikes me that intrinsically this is what faces us.

What concerns me in any event is that the bill may merely represent another government exercise in "ad hockery" and camouflage. I am concerned because I suspect the government does not know what it is going to do about indexation and is merely trying to buy time with the legislation which is before us. It may be that information available to the government and its actuaries and senior financial advisers is such that they cannot come to a firm decision at this time. What they have done on the eve of an election is to introduce a measure and let it proceed to a certain stage in the process of its becoming law, knowing well in their hearts and minds that nothing will be done about it until after the next general election.

• (1530)

I have been concerned for some ten or 12 years about the relationship of the government as an employer to its employees in the public service of Canada. On questions of pay and pensions perhaps it is time that the cabinet recognized that there is no longer a need for a direct relationship between the policy-making structure, the cabinet, and the employee. Perhaps it is time we began to examine the usefulness of an extended concept of the Treasury Board which allows it such authority and stature as to make it the employer, and not this parliament.

If we look to those areas of this country where there is a concentration of public servants, for whatever reason—perhaps it is the longevity of the present government; 15 or 16 years is perhaps too long for one group of individuals to lead effectively—we find that the majority of public servants are represented by members of this side of the chamber. I do not put that forward or postulate it as too serious a matter, but it seems to me that, given present circumstances and the lateness of our parliamentary mandate, perhaps none of us, including members of the government, has any right to be meddling with the affairs of those who serve the public in this country. We should not be dealing in an ad hoc manner with amendments to the Public Service Staff Relations Act or any of the seven or eight acts which affect directly or indirectly the careers of the public servants of this country, certainly not in the dying months, weeks or even days of an already tired parliament. I think the public servants of this country deserve something a little better than that.

I said that I am concerned that we might be dealing with this matter on an ad hoc basis. We do not have the answers to the questions of concern to my parliamentary colleague, the hon. member for Hamilton West (Mr. Alexander). There are literally dozens of questions with respect to this matter which need to be examined in depth. That is why my colleague said that we are prepared to let this matter go to committee where we can conduct the type of scrutiny and review which is required, and I hope that can be done today.

I have some fear about legislation which enables the government to appear to the taxpayer as if it is getting tough with the public service, and to the public service as if it is getting away with a good break. That seems to me to be the wrong way to approach the matter. Much more thought and study have to be given to the relationship between this institution and the employees of the Government of Canada. To have parliament regulating the relationship between employer and employee in

the 1970s and 1980s is wrong. We cannot do it efficiently. As I have suggested, I think we should look much more seriously at the extended concept of a treasury board, not only in fact but also in appearance, assuming the responsibilities of employer. We should look seriously at removing from this chamber control over the constant ups and downs which face every member of the public service when issues of this sensitivity come before us.

I do not want to deal at any great length with the specific content of this bill as it relates to the 200,000 or 300,000 public employees in the country, but I would like to make a few comments about a segment of the public service which I think needs some special recognition. I refer to members of the Canadian Armed Forces.

I remind hon. members of the unique position of members of the Canadian armed forces in our society. It is unique in the sense that they do not enjoy the privilege of freedom with respect to their tenure. In fact most of them are forced to retire. The vast majority of them are forced into retirement at age 55. Many are forced to retire at ages even younger than that. I am talking about a particular group of public employees in the military category, the pensions of these individuals as they are affected by unique circumstances, and the relationship they have with us.

Canadian forces annuities are paid by the Department of National Defence from either the old defence services pension continuation account or the Canadian forces superannuation account, not out of the usual public service funds. The average retirement age for Canadian forces personnel is significantly lower than for public servants generally. I bring to the attention of the House again the involuntary or statutory nature of retirement from the forces of armed forces personnel.

I am aware that some form of Treasury Board-DND committee was established a few years back to make representations on matters regarding personnel compensation, including pension concerns. One cannot be certain of what real input this committee has. I hope this will be dealt with when this bill comes before the appropriate committee.

The Minister of National Defence (Mr. Danson) was in the chamber earlier today. Undoubtedly he is now out about his departmental responsibilities. I hope he will participate in this debate. The minister suggested snidely that the hon. member for Victoria (Mr. McKinnon) has been preoccupied with the question of privilege he raised this afternoon since the beginning of the year instead of asking questions about the military and the posturing of this government. I thought that to be beneath the minister and the usual attitude for parliament he displays. I thought the minister to be somewhat contemptuous. I wish he were here now so that I could say that to him. Very few have been as diligent in support of the Canadian military as has been the hon. member for Victoria.

While the minister makes comments and observations of the kind to which I referred, he does not bother to get on his feet to make a contribution on behalf of the 75,000 or 80,000 men and women in this country he represents and for whom he has a responsibility and obligation. I suggest to him, just as I would suggest to the President of the Privy Council (Mr. MacEachen), that if he wants to enjoy the title of deputy prime minister he should get up in the House and speak to members if for no other reason than to recognize that a member has the right to be heard and that his constituents have the right to air their grievances. His attitude is typical of the government's attitude in the dying months of this government. This afternoon, the question of the security of those retiring from the public service of Canada, and the security of oil supplies for a major oil refinery process in Atlantic Canada drew from him not even an utterance. I know he must consider the question seriously, but, being Deputy Prime Minister he should keep himself advised and he should rise in the House and participate in the debate so that we will know what is going on.

• (1540)

I say the same thing to the Minister of National Defence. Where is he in this debate? Perhaps in what is left of the afternoon he will join us, and I hope he does. I hope the minister will not only address himself to the concerns of those serving in the forces, but also, either here or before the committee, personally or through his parliamentary secretary, will address himself to the concerns of those who have already retired. The minister will be aware that many of these people have been what you could only call long forgotten and neglected individuals.

There are 60,000 annuitants receiving Canadian forces pensions today. My own province of Nova Scotia has more Canadian forces pensioners per capita than any other province and, indeed, only Ontario and British Columbia have more actual service pensioners than Nova Scotia. However, I am sure that all hon. members, regardless of the constituencies they represent, are familiar with some of the difficulties which these individuals face. It is interesting to note that the average pension paid to ex-servicemen is approximately $3,400 a year. Even with full indexing, I do not think anyone should fear that these people are suddenly going to be living in the lap of luxury.

I enjoy listening to my colleagues. I listened with interest to my distinguished colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), when he voiced his concerns on this bill, and I agree with him. We should not only be talking about protection of income for public servants, the military and the RCMP; we should be talking about the extension of this principle to every Canadian, the right of these people to enjoy, as he so well stated it, not only protection against inflation but to enjoy with the rest of our society the increases in our standard of living.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Forrestall: I differ with him because I think only the private sector should provide the means to do it. I do not think that the assumption by government of the means of production would in fact satisfy that. But at least at the end we are on the same track. How can a pensioner receiving $3,400 a year cope on that? That is absolute poverty, not relative poverty. If you

even gave him only 10 per cent, you are only giving him $340 a year—plus $30 a month—plus $1 a day. Will that put him in the lap of luxury? God knows, the old 85 rule was a cancer on our concern for our retired forces personnel. Now they have made it even worse.

At present less than 45 per cent of Canadian forces pensions are indexed in some form. However, this percentage will almost certainly decline with the removal of the 85 rule and the gradual raising of the indexing age from 55 to 60. To a certain extent I can understand and appreciate the rationale for this change. There is no doubt that present regulations encouraged early retirement and provided opportunities for abuse, to the extent that some former well-paid public servants are able to receive indexed pensions while drawing top salaries in the private sector at a relatively young age. But it is one thing to take away the option of early retirement with indexing for those who have the choice, and it is altogether different for those in the Canadian forces who are forced to retire at an early age. For these servicemen there is no option of serving beyond the age of 55, except in the rarest of circumstances.

It will mean that some servicemen will have to go as long as 20 years on a static pension, with inflation rising as high as 10 per cent per annum during some of those years. Now we have in front of us a step being taken, ostensibly for the purpose of inducing one group of public servants to remain employed beyond the age of 55. It will have a deleterious and serious effect on the serviceman who has been waiting patiently for the increase in his pension that would normally come at age 55. Now this is denied him. It seems to me that not only has the serviceman been under a specific disadvantage but he will be under an even greater disadvantage under the provisions of this bill. Very much the same special case can be put forward for members of the RCMP.

There are those who will argue that the early retirement age of Canadian forces personnel, voluntary or not, provides them with an opportunity to add significantly to their pension income by taking on a second career. However, this is more easily said than done. The Canadian forces long serving pensioners association claims that up to 75 per cent of ex-servicemen cannot find gainful or meaningful employment once they have retired. I strongly suspect this figure is even higher today, with the general economic slowdown and the high rate of unemployment. Even in the best of circumstances there are profound difficulties for an individual attempting to start a second career at the age of 45 or 50.

I am convinced that the serviceman, like the vast majority of other public servants, in no way wants to be viewed as a drain on the taxpayers of this country. He is more than willing to pay his fair share to a financially sound pension scheme. Indeed, this is what most forces personnel assumed they were doing when they elected to pay an additional contribution toward indexing under the 85 formula. We remember the afternoon when that was sneaked through when we were ostensibly recalled to debate a railway matter, and were told that while we are here we might as well do something else. This was some years ago.

[Mr. Forrestall.]

As members of parliament we have a very strong responsibility, in dealing with this bill, to ensure that we lay a truly solid foundation which will guarantee some measure of protection for all public servants against the continually rising cost of living, but I suggest to hon. members that we have a particular responsibility to those who serve us within the parameter of a very strict and rigid discipline. We order the lives of members of the Canadian armed forces in virtually every way. We do the same with our national police force. We tell them under what circumstances they can enter, and precisely under what circumstances they will leave. We thrust, into an other than a sound economic environment, men who have unique training capabilities and capacities. We pay them an average of $3,400 or $3,500 a year in terms of pension. That is all they get on the average. It is very easy to find the exceptions, the $25,000 a year pensions in all sectors of the Canadian public service, but the average is only $3,400. As I say, we thrust them into the labour market in an unique era in our economic development when job opportunities are rare and jobs are difficult to come by, and we expect them to find gainful and meaningful employment. What do we do in the private sector with an expert on torpedoes? We have a very particular responsibility to our Canadian armed forces personnel on their retirement.

● (1550)

I am in complete disagreement with the provisions of this bill which extend indexing yet another five years to age 60. I regret the minister has seen fit to mix all of these pension matters in one omnibus bill. They should have been dealt with separately. They have unique characteristics, and we tend to downplay the importance of one or another because they are lumped together.

We welcome the opportunities which lie ahead in committee to pursue, with every bit of our energy and talent, the many, many questions before us. We welcome the opportunity to hear the concerns of all professional organizations which come before the committee. Also we welcome the opportunity to take a look at the several reports which are in existence and on which we must arrive at some conclusion.

I have very little reason to believe that the bill will ever become law prior to a general election. In that context I return to the camouflage and the ad hockery of this measure. I do not think the government wants to do anything at this point in time. The government believes it has captured the best of two worlds. In fact it has got the public thinking that the government has given the public service a good swift kick, and public servants think they are protected. In reality neither of those two situations exist. The government is uncertain of itself in this particular area. The matter has not been studied sufficiently. Perhaps we have no right at this time in the life of this parliament even to consider tinkering or playing around with the superannuation accounts.

When this matter is before the committee I hope the Solicitor General (Mr. Blais) and the Minister of National Defence will encourage or send their parliamentary secretaries so that the ministers' views respecting members of the national

police force and Canadian armed forces can be made known to the members of the committee, and through them to the House, as well as to the members of the police force and the armed forces. I add that particular note to the remarks of my colleague, the hon. member for Hamilton West. In its consideration of these two particular aspects of the public service, I urge the government not to overlook their uniqueness and the characteristics of their relationships with us. Also I urge the government to recognize the added responsibilities and difficulties which particularly members of the Canadian armed forces have when they attempt to obtain gainful and meaningful employment outside the services.

Some hon. Members: Hear, hear!

Mr. Leonard Hopkins (Renfrew North-Nipissing East): Mr. Speaker, I rise to speak on Bill C-12 because it affects many people in the upper Ottawa valley. I represent a large number of Crown employees at Atomic Energy of Canada, Ltd. in Chalk River, a large number of military personnel in one of the largest bases in Canada at Petawawa, and a large number of public servants in various departments located throughout the area.

We must remember that we have one of the best personally disciplined armed forces in the world. We have a lot of talent in the scientific field and in our public service generally. In the entire region of eastern Ontario which I represent, I appreciate and the region appreciates, what these people and these employment factors really mean to our over-all community. Without these people, our community would have to fall back on the timber trade, the limited number of factories that we have, and the commercial community, which latter of course would be much smaller.

During the last few years there have been many upsetting events throughout the world, not only of a military nature but certainly to a very large degree of an economic nature as well. Among these have been the uncertain conditions in the Middle East and the supply of energy to the western world. These uncertainties seem to be increasing as time goes on and, as a result, they have a very direct effect on the economies of western countries and inflationary trends. World conditions, along with the difficulties we have faced at home, have had far-reaching effects on many facets of our economic and social life. Bill C-12 is one example of how pressures have been brought to bear in one area of our domestic life as Canadians. There seems to be one assumption which we hear a great deal about today, that inflation is here to stay and everything will continue to rise for years to come.

Unsettled conditions in the past few years, and the unpredictable events which have happened in the world, have caused many problems for us and other nations. At the same time we must not rule out the possibility that certain events may lie ahead in the world picture today which can very well have a different effect on the economies of the western nations and, as a result, have a reverse effect on inflationary trends. For example, what will happen when the so-called third world countries become more self-supporting? What will happen when certain potential giants in the world today which are not highly industrialized become so in the immediate years ahead and goods and services become more available to all?

I was glad to hear the President of the Treasury Board (Mr. Buchanan) and others in the House mention the past diatribes of the National Citizens' Coalition which seems to look upon the Canadian scene as its own personal domain, and which is trying to mold public opinion to suit its own purposes. The one thing which can be said about the National Citizens' Coalition is that one can realize readily its membership has not suffered very much by the inflationary trends of the past few years. Otherwise, they would not be able to produce the full-page newspaper ads and the other means they use to snowball the public. Perhaps they should be looking at their own various company pension plans and indexing in order to find out just how they are treating their own employees in this day and age. The fact that Bill C-12 places the various public pension plans discussed in the bill on a self-financing basis, automatically should withdraw it from such vindictive and unjustifiable comments.

As long as I have been around Parliament Hill I have never ceased to wonder why bills in the House cannot be written up in legal jargon on one side of the page and in layman's language on the other. I have a perfect example of what I mean before me at the present time. I have had many inquiries with regard to this bill from public servants, employees of Crown corporations and from members of the Canadian armed forces.

● (1600)

The question that keeps cropping up from the Canadian armed forces is, just where do they stand with the annual rate of inflation having regard to their pension at sixty years of age, if in fact they are required to retire, say, at the age of 44, 47 or 51 etc? The answer to that question is buried in the legal jargon found on page 7 of the bill starting at paragraph (b) of proposed section 4(1), sub-clauses (i) (ii) (iii) (iv) and (v). The latter sub-clause to be found at the top of page 8.

If a corporal retires at age 44, he will receive at age 60 the cumulative rate of inflation for the total 16 years, and his pension will go up accordingly at age 60. As for the immediate indexing of his pension, this does not come into question, because when he retires now he does not receive the indexing at the age of 44, and will not under this present legislation, so nothing has changed for his immediate future. But the fact that the indexing is cumulative for him during those 16 years means that his pension will, in fact, be worth something to him at age 60, in the event the inflationary rate continues.

For brigadier generals, who are classified as general service, they will retire at age 55 so this bill will affect those who are retiring immediately or in the next few years. A general who is classified as, say a specialist, such as a chaplain, dentist, legal, medical, music, nursing, or personnel development, have a compulsory release age of 60, and generals who have reached that position by virtue of being commissioned from the ranks have a compulsory release at age 55. A full colonel in the

general service retires at the age of 55. A colonel under the specialist title must retire at 58, and a colonel who was commissioned from the ranks must retire at 55. A lieutenant-colonel who falls within the specialist field must retire at 55, and a major who falls in the specialist field must retire at the age of 55. These are the people who would be involved immediately if they are about to retire. Those who retire within the next five years will be doing so on a prorated basis.

Under Queen's Regulations and Orders Table A, article 1531, it is stated that a sergeant retires at age 50, and could have up to 30 years' service. In a case such as this, his indexing will accumulate for the next 10 years and he will get the lump sum increase at age 60 added to his pension.

Because of the earlier age that most military personnel are required to retire, as opposed to those people in the public service and those who work for Crown corporations, it would be unfair to a service man if he had to wait until age 55 before his pension even started to become indexed. By that time he would be far behind those who retired at age 55 today. This is why indexing starts for him on the very day he retires. We get into the old argument with some saying we should be keeping these people in the armed forces longer because they are trained and still active, while others say we must keep a younger armed forces and these people must retire at certain ages. Even within the military community itself this is a debatable point.

Proposed section 4.1 of this measure on page 10 provides for a three-year review of pension funds by the chief actuary of the Department of Insurance, who will then report to the minister whether the pension fund is viable to meet the rate of inflation of the day. If the report is positive, the cabinet of the day has no choice but to allow full indexing in accordance with the viability of the fund. If in the opinion of the report the fund is not viable, then the governor in council sets the rate for the next three years. As has been said many times before, this bill prevents anyone from retiring very late in the year and getting the full indexing for the entire year. If a retiring person has the "85" formula and retires at the end of June he will receive the indexing for one half of that year, and similarly for other fractions of any one year.

In order to offset some of the innuendoes raised by the National Citizens' Coalition, it cannot be said often enough that approximately 85 per cent of today's retired public service personnel and armed forces personnel retired on a pension of less than $7,000 per year.

Mr. Baker (Grenville-Carleton): What was that figure?

Mr. Hopkins: I said that 85 per cent retire on pensions of less than $7,000 per year. I put that figure on the record last fall when the former president of the treasury board made his introductory remarks. Therefore it is important that these people receive more supplementation than those in the much higher categories. You will recall that last fall full indexing would have been allowed on earnings up to that $7,000 mark, and above that the figure in the proposal was 8 per cent in 1979, 7 per cent for 1980, and 6 per cent in 1981. However, because this particular bill did not pass last year, this item will come up for review once again and later this year we will find out whether the amount is going to be around $7,500, or somewhere around $8,000 for full indexing. These figures are very familiar to me as I have many neighbours who have retired from the armed forces or the public service and find themselves in this particular pension income bracket.

Even though this debate today is related to pensions in the public sector, I feel, Mr. Speaker, that there is a real need to take a good look at some of the private pension funds as well. Ministers of labour at the provincial levels and the federal Minister of Labour (Mr. O'Connell) should discuss the problems faced by those who do not have a portable pension plan, in this day and age. In today's world, we find people in their 30's and early 40's by necessity moving around to find other jobs. In many cases a person might have 18 years with one company but, because he is laid off his job, or his position has become redundant, and he has to find another source of employment, he or she may lose that 18 years in the pension plan, and simply be given the amount he or she placed in the fund. Many of these pension plans fall under provincial jurisdiction, but our federal Minister of Labour, who is a very humanitarian type, could do a lot of good for private citizens across this country if he were to initiate such meetings with the provincial ministers of labour in order to provide portability of pension plans for every Canadian citizen across Canada who spent a reasonable amount of time working for one particular company and then found it necessary to move or, indeed, saw a chance for promotion in another area.

Again I wish to return to discuss a very serious problem that today faces many of our military personnel who retire at an early age. In many cases the trades that personnel in the armed forces practised for many years are not recognized once they arrive out on "civvy street". In many cases provincial departments of labour refuse to license mechanics, plumbers, carpenters and so on without further apprenticeship training. As a result they find themselves on the labour market with no qualifications of a legal nature but they do have the experience and knowledge of their field. I have had many people in my office discussing this very subject.

At the present time there is a military-civilian training accreditation committee working on this problem, but it still has a long way to go; even though it has made a very good start. In view of the considerable lapse of time between the time a member of the armed forces is pensioned off and the time he will reach 60 years of age for indexing, and under present conditions the age of 65 for the old age security, it becomes very necessary to provide him with a legal recognition of his skills so he can supplement his income during those crucial years.

• (1610)

In the United States forces, they quite often use the last year of a military person's career, if it is their wish to do so, to train them for a job when they get out of the service. I can only strongly recommend to the Minister of National Defence that this type of program be seriously looked at by the

Department of National Defence in Canada, and also that he might solicit the support of our good friend, the Minister of Labour, to deal with the provinces on civilian accreditation for the skills that members of the armed forces already have.

I wish to thank hon. members for their attention during my remarks. There are many other items I would like to discuss but I shall save them for committee stage.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I welcome this opportunity to speak on Bill C-12, legislation aimed essentially at reducing the level of benefits afforded to federal civil servants. Its main objective is to reduce the widening gap between public service and private sector pension funds. Pressured by representatives from the private sector, the government decided to reverse course on something that was apparently recognized for all civil servants, the indexing of their pensions.

As many of my colleagues in this House, I feel that pay differentials between the private and the public sectors are becoming a source of injustice. How many private sector workers toiled all their lives to get a meagre pension after 40 years? The government showed leadership when it put forward the indexing of retired public servants' pensions, and it believed the private sector would follow suit. We are now backing out, we are taking away full indexing from public servants and substituting this new system. A part only of pensions will now get automatic indexing. The minimum could be $7,500 or $8,000 a year, when some 80 per cent of pensioners are getting less than $7,000 a year.

Citizens once again will fall victim to this shortsighted government. By the same token bilingual public servants who had been promised the bilingualism supplement until 1983 were told last summer that would not be the case. Starting from April 1, they will stop getting it. And unemployment insurance claimants are now getting a maximum of $144 a week instead of $160, since January 1, 1979.

Mr. Speaker, the unemployed suffer a loss of revenue of some $16 a week, although a great number of them have obligations and often many dependents, with consumer prices on a constant increase. The Health Resources Fund schedule to end in 1980 was retroactively cancelled as of 1978, without consulting with the provinces.

The new provisions contained in this bill will cost between $38 million and $48 million less a year. This saving is very much in the spirit of the hatchet policy, as I call it, under which they cut expenses as much as possible without knowing exactly why and without too much concern for future consequences and especially for the people who are left in need. And all this is done to respond in one way or another to the industrial and financial lobbies.

Mr. Speaker, I believe that all Canadians would support the government wholeheartedly if they were asked to cut down on their expenditures to have a healthier economy. Unfortunately, these drastic cutbacks will not improve the problems of unemployment and soaring price increases. Last summer, when he announced his decision to cut back expenditures, the right hon. Prime Minister said that this was the policy of the three r's which were restraint, renewal and reallocation. He was the only one to sing this tune. Indeed, he is still the only one. Everyone understood immediately what he meant by restraint, or budgetary restrictions. Indeed, we did not have long to wait for the axe to fall. Our unemployed know this better than anyone else because they were the first victims. But what concerns me most is that we still do not know when, how, why and where the other two r's, renewal and reallocation, will come in. We are still waiting. Nothing much has happened since then.

Bill C-60 made everyone unhappy and the Pepin-Robarts report will probably be left on the shelf since it does seem to please the Quebec premier a lot more than the Prime Minister of Canada. As for the reallocation concept, which was supposed to involve a reorientation of government funds towards employment programs, it seems to have been applied on a very small scale for a country which has more than 8 per cent of its manpower on unemployment, or nearly one million unemployed, and mostly among people. Where is the employment strategy that we have been demanding for many years? The unemployed are yelling at the top of their voice, but can the government hear them? The government is doing nothing, and that right before an election. What then will it do after the election?

The big problem resulting from the budgetary cuts, at least immediately it seems to me, is the decrease in the purchasing power of the citizens, whether they be retired or unemployed. Indeed, those steps will result unfortunately in reducing the standard of living of many citizens who will progressively become less and less able to buy consumer goods, the effects of which will be felt throughout the economic system, and that at a time when the Canadian dollar keeps sliding down.

● (1620)

Mr. Speaker, I am not criticizing the government for realizing that the gap between pension plans in the private sector and the public sector was leading, over the long term, to a completely unbalanced and inequitable situation. I am only insisting on the fact that the needs and hopes of civil servants were built up, and now the means of meeting them are being withdrawn. The public sector must not tag along behind the private sector. Instead, the gap between the two must simply be reduced to fairer proportions.

There is precious little awareness of the fact that budget cuts will have unfortunate socio-economic repercussions. I have repeatedly spoken—God knows how often—about adopt-

ing the guaranteed annual income. Even the Minister of National Health and Welfare (Miss Bégin) recognizes that such a program is desirable, though impossible at the present time. I say that a guaranteed annual income is not too heavy a load to bear when one considers the amounts already spent on unemployment insurance benefits and welfare. That would be a much fairer solution, a solution that would apply to the whole population and would not encourage disproportionate gaps, such as those we now know, between the public and the private sectors.

I wonder how much electioneering there is in this bill as we approach a federal election. Indeed in introducing this bill the government is trying to look good before bankers and financiers and part of the people. Those measures are only a first step toward the pure and simple abolition of escalation clauses in all federal plans. And, given those measures, private businesses will be very happy not to have to improve the escalation provisions in the pension plans of their own employees. Among other points of dispute between the government and civil servants, the principle of early retirement was mainly criticized. The civil servant who must retire involuntary because of a cutback in staff or his age cannot find another job and is helpless to fight inflation. There again, as always, private sector employees in the same position will face new restraints from the employers.

This bill starts from an entirely understandable purpose but uses means not likely to maintain harmonious relations in the public service. If the government backtracks too much on this, as it is doing with Bill C-12, the abolition of bilingual bonuses and the lay-offs of language teachers, we will soon have an explosive climate in the federal public service. That would be unfortunate because our public servants are competent and well organized.

[*English*]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, as I understand the situation I am the last speaker from this side of the House and this matter will be going to the committee shortly.

I want to reiterate on behalf of the official opposition, the Progressive Conservative party, that it is our intention to get this bill to committee as quickly as we can so that the examination that was spoken of so eloquently by the hon. member for Hamilton West (Mr. Alexander), in opening the debate for the official opposition, can continue. That kind of examination is absolutely essential in terms of this legislation.

The hon. member for Ottawa West (Mr. Francis), in the course of his speech the other evening, asked what the position of this party was with respect to the idea of pension indexing in the public service of Canada. He made some very flattering remarks about me, which I appreciate, and given the appropriate opportunity I will reciprocate. I do not like to quote myself, but in 1973 during the course of a debate I spoke on behalf of the Progressive Conservative party with respect to the position that was put before the House by the then president of the treasury board. This was referred to by the then hon. member for York-Scarborough. The bill passed through all stages of the House within a few days. In fact I think second reading commenced on September 7 and it was back in the House on September 12, which was a very short period of time for a significant piece of legislation.

As you know, the amendment that was before us at that time respected full indexation on public service pensions, that is the range of the public service we speak of in the Public Service Superannuation Act. I said at that time:

> Members of the government certainly are draftsmen of the bill, but if you examine the history of public service legislation you find that this government and its predecessors were really dragged, kicking and screaming, to the point where they finally gave in to what, over the years, were the reasonable demands of public service staff associations, the officers of public service associations, retired public servants and others who have written to people like myself and the hon. member for Winnipeg North Centre (Mr. Knowles).
>
> As I say, the government has finally given in and seen the reason for positions that have been taken by my party and, for that matter, the NDP with respect to this matter.

What happened on that occasion? Let us cast our minds back to that time. The president of the treasury board came into the House of Commons and indicated to us in a short, succinct statement that it was the intention of the Government of Canada to move in the direction of full indexation of pensions. He did not indicate to us in any way that there was any problem with respect to funding. He did not indicate in any way that we would be facing a bill in 1979 which changes the principles that were accepted by the House of Commons in 1973.

I believe the House of Commons and I at that time relied on a few things. First, I relied on the proposition that the president of the treasury board of that day knew what he was talking about. That may have been my first mistake. Second, I relied on the fact that behind that statement of the president of the treasury board there had been sufficient studies undertaken by the Government of Canada and they were prepared to come to the House with respect to that matter. That position was put by me on September 7, 1973, and later on September 12, 1973.

On third reading of the bill at page 6472 of *Hansard* I said this:

> —it is my intention to be the only spokesman for my party at this final stage, and to expedite the passage of the measure.

That was the position put in 1973. With respect to the plight of people who are retired and who are no longer in the work force, people who cannot bargain for themselves, people who are subject to the ravages of inflation and other things, that has to remain the position. That must remain the principle that would guide any reasonable person looking upon individuals who may well be otherwise unprotected with respect to inflation. That is something I want to point out to the House. Why? Why is the principle of indexation relating pensions to the cost of living a reasonable one? It can be put in many ways.

I do not think it is appropriate in a reasonable society to adopt a position that people who cannot fend for themselves

ought to be left treading water in a stream which flows backward. That is akin to going downhill. I know the hon. member for Welland (Mr. Railton) is anxious to tell the House that he knows which way water flows, and I commend him for that.

To come back to the subject, this is an important provision. That is the long and short of it, why we discuss indexing at all.

I looked at the speech made by the hon. member for Winnipeg North Centre (Mr. Knowles). In the course of his speech on this bill in the House on February 12, 1979, he said this:

● (1630)

I begin by saying I would be happy if the bill were not before us at all;—

What he is saying is that he would like the principle of indexing established in 1973 to continue. He is also saying that he would like it if the economic circumstances of the country were such that the government would not feel moved to dispense with the principle. He would like to say that he did not want to stand in this House and say that the public service is fortunate that it did not suffer worse.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Baker (Grenville-Carleton): When I am finished. Let me continue:

—I would be quite happy if we continued with the present plan which calls for full indexing of the various pensions covered by the Supplementary Retirement Benefits Act. However, there has been a vicious campaign and many people have been taken in by arguments that certain individuals are being favoured as opposed to others.

If there is a fear in the mind of the hon. member for Winnipeg North Centre about the figures that might be produced in the future, that is something he can articulate. There is a nagging fear in his mind about what the future may hold.

In his speech the President of the Treasury Board (Mr. Buchanan) branded as false the position of the National Citizens' Coalition. I share his views with regard to the campaign that has been launched. Notwithstanding that, the hon. member for Winnipeg North Centre is harbouring some doubt as to whether the government may have succumbed to the siren song of the National Citizens' Coalition.

Mr. Lefebvre: No.

Mr. Baker (Grenville-Carleton): The Parliamentary Secretary to the President of the Treasury Board (Mr. Lefebvre) says no. If the government says no then it is saying that the National Citizens' Coalition is wrong, and it is important that at the committee the government demonstrate where it is wrong. If the National Citizens' Coalition is in fact wrong and if that can be demonstrated, that there is no need for a change in the law, the law should not be changed.

Mr. Harquail: What is your position?

Mr. Baker (Grenville-Carleton): The hon. member for Restigouche (Mr. Harquail) asks what is my position with respect to the National Citizens' Coalition. I will tell him my position. It has been a callous campaign, a campaign of half-truths. Hon. members will recall that it has been a campaign similar to that conducted on another occasion which brought disapprobation upon this House of Commons and its members. They have done exactly the same with the public service.

I would be the last one in the House to say that every public servant is not lazy, is not polite, and is not working his full share. There are public servants who tell me that there are others in the public service who are that way. For every one in the public service like that, it brings disapproval by the public. However, in general the public service of this country is reasonably good.

What public servants want is the opportunity to express themselves, to feel the challenge that others feel in various aspects of the community. There is nothing wrong with that. However, when I receive clippings from the National Citizens' Coalition I have to regard that as a result of some dishonest advocacy, something I flatly condemn.

There are some real changes to be made with regard to the public service. There ought to be a challenge for public servants. They should work to capacity. There should be changes in the bargaining procedures and a whole host of things that affect public servants. The cause of a public service and its respect for itself are not advanced in any way by the kind of attack that has been made by the National Citizens' Coalition. It is a matter of prejudicial guesswork at best, and I am being lenient when I call it that.

The hon. member for Restigouche wants to know my position. I will tell him. A public servant has told me directly what he thinks about the national coalition. This is what he said:

Dear Sirs:

I'm mad as hell about this type of misrepresentation with respect to the public service indexed pension—civil servants indexed pensions.

He went on to add, and I commend this to the Minister of Finance (Mr. Chrétien):

—and government use of my pension contributions at ridiculously low interest rates.

The Minister of Finance might want to take that message to heart when considering this matter. Other speakers in the debate have pointed out the questions that should be asked in committee and the inquiries that should be made. The hon. member for Hamilton West did a service by laying out those questions.

This House should never again fall into the trap of accepting what this government says about anything. The government has in effect said that this is the best it can do. We must examine that. There is a difference of opinion in this House. In fact there is a difference of opinion on the government side as to whether this is the best it can do.

I suggest that hon. members reread the speech of the hon. member for Ottawa West. If the figures that he gave are true,

then he drove a horse and cart through the speech made by the President of the Treasury Board. On the other hand, if the position of the President of the Treasury Board is correct and we have to change the law so that we fully index for 85 per cent of members of the public service who retire, then his predecessor, the Hon. C. M. Drury, when speaking in this House in 1973 misled this House, the public service, and the people of Canada. That is why we need to have this kind of examination. We can no longer accept at face value what the government says.

We have to examine ourselves with regard to how we feel on these principles. We must ask ourselves whether this bill is fair and proper in light of circumstances revealed at that committee, and given the difference of opinion with regard to changing the law and therefore the benefits. Eighty-five per cent is not a bad batting average for any government. I concede that. That is one of the reasons we will send this bill to committee.

Yesterday I received a call from someone who will be just outside the 85 per cent, just above the $8,500 figure with regard to his pension. The other evening the President of the Treasury Board was optimistic enough to say that indexing may go up to $8,000 or $8,500 on the fully indexed portion. This man is just above that. I cannot bury a constituent in statistics any more than I can bury an old age security recipient in statistics and advocate a means test for OAS. Nobody on the other side will do that, and I hope nobody expects us to do it. That is why we must examine what the hon. member for Ottawa West says to see whether there is an embarrassment of riches in that plan, whether the bill is really necessary, and whether the level of benefits should fall. That is the examination which is to take place. That is the position taken by the hon. member for Hamilton West. We are entitled to these answers. The public service is entitled to these answers.

● (1640)

It is important that we do not follow with respect to this bill a process of perfunctory consideration and quick passage through committee. It is important that public service organizations, and those outside the public service as well, should have an opportunity to give evidence before the committee. It is important that what happens in the committee is not a repetition of what happens in committees from time to time when full examination is not allowed. We cannot get to the truth completely in the House of Commons even though members do their best; everyone knows that the major work of parliament is not done here but in committee where matters can be pursued in detail.

I have another cautionary word to add. It may be satisfactory that we can accept that things look pretty good for the next biennial period, and, who knows, that they may well look good for the triennial period after that. I hope this is the case. But we are not really looking to the next triennial period, we are talking about a succession of other triennial periods down the path. I don't think we can grasp this bill to our bosoms and accept it as the last word. We have to understand that we are not looking just to the next election or beyond the next three years or the triennial period after that. We are looking well into the future. What we are doing here affects the situation and the future of very large numbers of people.

We are prepared to accept this bill today provided there is to be the careful examination of which I have spoken. I am not prepared to fall gratefully into the arms of the government with respect to this measure. As far as the government is concerned, I am from Missouri; I have got to be shown. I have joined the host of Canadians—or they have joined me—who feel the government has mishandled the economic situation. I join with the 62 per cent of Canadians who feel the government has mishandled the economy. That is the result of the latest Gallup poll. That's good news for the Liberal party. That figure is more than double the 27 per cent who approved of the way in which the government has acted. That is the latest report; it appears in the *Citizen* if anybody wants to read it. It is dated February 14, 1979.

An hon. Member: Valentine's Day!

Mr. Baker (Grenville-Carleton): There is a myth about the economic performance of this government. There used to be some economic management. I am sure the late and venerable Louis St. Laurent must roll over in his grave when he considers the economic performance of the present government compared with his.

An hon. Member: May he rest in peace!

Mr. Baker (Grenville-Carleton): Yes, may he rest in peace. Do not associate him with the Liberal party of today because if you do you will tarnish the memory of a fine public man.

The poll is a very interesting one. It shows that a hefty 71 per cent of the people in western Canada are unhappy about the government's economic management. So are 70 per cent in Atlantic Canada and 65 per cent in Ontario. Given the percentage of error attached to Gallup polls, a rate of 4 per cent, this amounts to a condemnation of the ability of the government to convince the Canadian people that it can handle anything. It is most important the government should realize that with respect to this kind of legislation which affects the future plans of public servants as well as the plans and lives of public servants who have retired, not to mention their families, the widows and the children of public servants—and I define the public service broadly here as including both the RCMP and the military—that we must examine very carefully the statements which have been made in this House and the statistical data behind those statements.

Given the government's track record with regard to public service pensions, let alone other things, I do not think we ought to accept at face value that what the government says is really the case. Not that they lie. I am not suggesting they lie, but they have been known to be grossly mistaken.

Mr. Alexander: And less than honest.

Mr. Baker (Grenville-Carleton): I was not about to make that suggestion, but since my hon. friend has made that interjection I will say that it might be appropriate. The House of Commons, on behalf of the public we serve and on behalf of the public service, which is part of our responsibility, should examine this plan so that we are not required to go through this kind of exercise again.

I want to say something, now, with respect to the future of this country. A number of people have made known their views with regard to that future in terms of pension payments and the way in which governments at various levels are able to consider at least providing "hedges" in pension plans for their retired workers. There has been a great outburst in the community because it is felt that similar provisions are not possible on the private side. That is a matter of debate. It is a question we all have to ask ourselves as public men and women, people who are here for a time to represent others, to represent the community. We have to be prepared to assess the truth of these assertions—to consider whether it is, in fact, impossible. If we do not examine them there are others in the community who will do so.

Is it the case that in a country as rich as ours, with a population as ingenious as ours, with corporations whose leaders are as ingenious as they are, that it can be said without doubt that we are not capable of devising ways in which those who are not relying on public sector pensions and who are relying to a large degree on private sector pensions can find some ways to build into their pensions provision against the ravages of inflation? I might point out that this would not be necessary if governments could control inflation. This is a situation which places a tremendous onus on governments everywhere. That is the bottom line in the pension business. If inflation is contained to a small amount the argument about indexation loses its force.

● (1650)

If people outside the work force face the inflation which can be called ravaging inflation—those are the words which have been used to describe inflation as it affects those people today—and if they are relying to a great extent on pension plans which are not related in some way to the cost of living, then the fact is that those people are falling further and further behind. I believe it was the hon. member for Ottawa West—someone did—who put some figures on the record in this debate with respect to the fact that our population is aging. The aging constituency of all of us in this House is growing. The sheer political power of that constituency is growing. As it grows, its voice within the country will grow along with it. That constituency will put upon us a responsibility which we may not be prepared to look at now, but a responsibility will be put on us and others like us to protect those who are less fortunate in that broad economic sense because they are not in the work force. That is something with which we will all have to deal.

I think it is important that this debate be conducted in that atmosphere. Let us face the fact that those in that constituency face a major problem. Let us not think that the critics of indexation are able to silence the debate in the country merely by saying that as far as they are concerned it does not exist and that they will not look at it. That debate is going to go on in this country. It is being carried on now. It has been carried on, and if hon. members have not read it, I commend to them the brief which was filed before the Royal Commission on the Status of Pensions in Ontario by Eckler, Brown, Segal and Company Limited, in which this question was addressed and in which the question of costs was addressed. We will eventually have to address this matter.

I also commend to hon. members an article published in 1979 in papers on "Canadian Public Policy" by Professor James E. Pesando of the Institute for Policy Analysis of the University of Toronto, because he addresses the question of the ability of the private sector to maintain itself in times of inflation. He argues that indexing is a feasible although challenging objective. He had something to say about the Tomenson-Alexander report, which I think should be taken with an appropriate grain of salt and subject to examination by the Standing Committee on Miscellaneous Estimates.

Professor Pesando said this, and I am quoting from page 84 of the article:

> To sum up, the procedures employed by Tomenson-Alexander have the effect of artificially (and, ultimately, arbitrarily) reducing the liabilities in respect to the real benefits and increasing those in respect to the indexing provisions by an equivalent amount. This result is of crucial importance if the cost of the indexing provisions as identified by Tomenson-Alexander is used as an argument against the indexing of private pensions.

I hope the two representations to which I have referred will be considered by the committee because we have to consider this bill while recognizing the realities of Canadian society. I cannot believe that the pension industry in Canada, which is reasonably and appropriately led by men of wisdom and business acumen, despite their reluctance to address the problem—and there is some reluctance—is in fact not looking at the problem. I suspect that over the next ten or 15 years as the clamour develops, whether we like it, whether they like it, or whether anyone likes it, we will be driven to consider how this can be accomplished and, in its accomplishment, what the role of the government will be in this undertaking.

In the context of this debate I do not think we can forget that there is editorial opinion. It may be wrong. I do not know. Within the last year or two an opinion was expressed in an editorial which appeared in a newspaper in the United Kingdom. That editorial commented on a speech made by the head of the United Kingdom Actuarial Society. In that speech it was stated that we must regard pensions less as an actuarial problem and more as an economic problem, and that we ought to look more at the ability of a country to bear the pension burden, and examine it from that point of view.

If we do not get inflation under control in this country, I suggest that we will not be able to withstand the pressure applied by those who find themselves exposed more greatly than they are today and who will come to legislatures for remedies. That is a long-term issue from which this parliament and succeeding parliaments cannot turn away. What will these

people ask for? They are going to say that the gross national product is growing at a certain rate. They are going to look at the portion of that gross national product which is taken up by old age security and other pension payments, and they are going to say that that portion is quite small.

They are going to say that as the gross national product grows their benefits should certainly also grow, because they will not be in a position to protect themselves. They are going to say to us that something must be done to ensure that they are not exposed. I just wonder what our argument will be. What will we say to them? Will we say that working Canadians will have the benefit of increased salaries to meet inflation but that these other people will not have those benefits? I just put the unfairness of that proposition to the House as we look down the road at a problem which will gradually drive us down into the bottom of the funnel. We are going to have to face this problem. Part of the solution, of course, is to wrestle inflation to the ground. The wrestling match with this government is over, and the government has been carried out of the ring, out cold.

Mr. Hnatyshyn: Kayoed.

Mr. Baker (Grenville-Carleton): That is one battle this government is perhaps incapable of fighting, and the people will make that judgment, but the issue to which I have been referring will still be there for us to face. If governments are not yet thinking about it, they should begin to think about it because I am satisfied that in the bowels of the insurance industry and in the bowels of the pension industry people are thinking about it.

I had the privilege today of sitting down for lunch with prominent Canadian businessmen, the same group some hon. members opposite met with for dinner last evening. Next year it will be our turn to go to dinner, and it will be their turn to go for lunch. A question was put to the president of a prominent Canadian company.

Mr. Knowles (Winnipeg North Centre): We were not invited.

Mr. Baker (Grenville-Carleton): That demonstrates their good taste.

The president of that Canadian company was asked what his company does for its executives on the company pension plan with respect to the cost of living.

An hon. Member: They give them shares.

Mr. Baker (Grenville-Carleton): That is one of the things the company does. That is common with large corporations. Some people are given shares, share options, hedges and benefits of that kind. However, in the case of people who retired some time ago, this officer admitted that if they were ad hoc adjustments and if there were no adjustments in their pensions for the cost of living some of these people would be living in genteel poverty. I ask the House to consider this. That was a discussion with an executive about executives. I ask the House to consider how that is multiplied again and again by those who are not executives, who do not have the opportunity of indexation by stock option. When you consider that, sir, I think you realize how important this debate is. It is certainly important to the public servants of this country.

• (1700)

As my constituent put it to me last night, "I want to know why in 1973 I was promised one thing and in 1979 I am given something else". They are entitled to that answer, sir. Eventually this House and our successors in this House will be faced at the gates of this place with those people outside who are not in the public service an who will ask the very same question with respect to themselves. I hope that there is something going on within the government of this country that will help—

Mr. Railton: We are looking after it.

Mr. Baker (Grenville-Carleton): I am not so sure they are looking after it. They have not looked after anything else, but I do hope they are looking after that and that there is something going on within the government, because in retrospect, if you consider it carefully, it can be legitimately argued that if there is not some way that everyone can share in the growth of the national economic pie, assuming that it grows, then those who do share in the growth of that national pie are really robbing those who do not. That is the simple case that has to be made as we look at this legislation. I do not think this House can afford to look at it in any other way, and if we have any sense of balance that is exactly the way we will look at it, and our deliberations in the committee will be aimed at getting at the truth.

Mr. Deputy Speaker: Is the hon. member for Winnipeg North Centre (Mr. Knowles) seeking the floor to ask a question?

Mr. Knowles (Winnipeg North Centre): May I, sir?

Mr. Deputy Speaker: The time allotted to the hon. member for Grenville-Carleton (Mr. Baker) has expired. The hon. member may ask a question with consent of the House. Does the House allow the hon. member to put his question?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the generosity of the House in allowing this extra time, I will not ask the question I was going to ask about 1973 being the year of a minority government. Rather, I will put a question to the hon. member arising out of the telephone call he said he had from a constituent who is just over the $8,000 figure.

I wonder if the hon. member would join me, and I am sure that members on the government side would join me too, but I think it is more useful if it comes from the opposition side of the House, in asking the press to make it clear that even if Bill C-12 goes through, there still is escalation for that portion of

pensions above $7,500 or $8,000. It has been clear, but I am getting the same phone calls and the same letters. I had a letter this morning from a pensioner who was afraid that once he reaches the $7,000 level there will be no more escalation.

Will my friend join me in making it clear that the bill, as we understand it, provides for full escalation up to the threshold of $7,500 or $8,000, and that the portion of pensions above that, which pensioners have now or which they will get after escalation, will be indexed by a figure slightly less than the full cost of living index?

Mr. Baker (Grenville-Carleton): Mr. Speaker, I think it is very important that that statement was made by the hon. member for Winnipeg North Centre (Mr. Knowles). I certainly join in that statement and I am certain that other members in the House will join us, because we do not want that kind of confusion to continue.

Mr. Lefebvre: Mr. Speaker, I have no hesitation in joining the two hon. members in affirming that fact.

Mr. Gauthier (Ottawa-Vanier): Are we on a point of order, Mr. Speaker?

[*Translation*]

Mr. Deputy Speaker: Order. I must point out that the hon. member for Winnipeg North Centre (Mr. Knowles) was recognized to ask a question. We are not in committee of the whole; if the hon. member wants to put a question accepted by the hon. member for Grenville-Carleton (Mr. Baker), he should put it.

[*English*]

Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Miscellaneous Estimates.

* * *

INCOME TAX ACT

MEASURE TO AMEND

Hon. Jean Chrétien (Minister of Finance) moved that Bill C-37, to amend the statute law relating to income tax, to amend the Canada Pension Plan and to provide other authority for the raising of funds, be read the second time and referred to Committee of the Whole.

He said: Mr. Speaker, this bill, together with the bill to amend the Excise Tax Act, implements my budget measures. The major objectives of those measures are, first, to maintain and accelerate growth in demand through fiscal stimulus; second, at the same time to put downward pressure on prices and costs in order to protect our renewed competitive position; third, to provide further stimulus to capital spending and research and development so as to improve industrial productivity and efficiency and to ensure continued growth; fourth, to assist particular sectors in overcoming structural problems; fifth, to provide more support for regional development; and sixth, to take action to maintain the integrity of Canada's tax system. My budget has been described as a responsible budget. The tax measures before us implement the budget objectives in a responsible way.

The bill reduces taxes for working individuals. It does this by doubling the limit for the employment expense deduction, increasing it from $250 to $500 a year. Being related to employment income, this measure provides additional incentive and reward for working Canadians. It will reduce federal and provincial tax by some $365 million in the 1979-80 fiscal year.

But this is not the only element acting to spur growth in disposable incomes of Canadians in 1979. You will recall, Mr. Speaker, that tax indexing will result in a $1.6 billion reduction in federal and provincial income taxes. I also announced a reduction in the contribution rate for unemployment insurance. I have reduced the federal sales tax from 12 per cent to 9 per cent, thus boosting purchasing power by about $1 billion. For a married family earning the average industrial wage, these measures taken altogether should raise real after-tax disposable income by over two and a half per cent. Canadians will pay a lower share of their total income in taxes in 1979 than they did in 1978. The stimulus provided by these measures will support consumption demand over the coming months. As well, strong stimulatory forces are at work as a result of a more competitive dollar. More demand means more capacity utilization and more incentive to investment.

I would like to refer to two other tax changes affecting individuals. They are not as large as those I have just mentioned but, in their own way, are just as important. Hon. members will recall the concern expressed at the time of the last budget over the taxation of RRSPs in cases where both parents die leaving minor or disabled children. I have found that this is a valid concern. This bill provides that, in these cases, specified amounts may pass to dependent children or grandchildren without being taxed in the hands of the deceased. The amounts will qualify for forward averaging for tax purposes in the hands of the children. The allowable amounts are larger for younger children than for older ones, with a maximum of $125,000. In the case of disabled children, the limit is a flat $125,000 regardless of age. The tax benefits from this can amount to tens of thousands of dollars. This bill also includes provisions to permit those who are disabled or whose spouse is disabled to mature their RRSP funds before they reach age 60. Such persons will now be able to purchase an annuity or an RRIF at any time.

● (1710)

A strong industrial structure is vital to Canada's future. A more efficient industrial structure means lower costs and increased competitiveness. The government has put in place a large number of tax measures to spur industrial development, to help particular sectors, and to promote activities which are of importance to industry. Hon. members are familiar with the two-year write-off and low federal tax rate on manufacturing. The budget papers indicate that, as a result of these measures,

corporate income tax on Canadian manufacturing as a per cent of profits is some 10 per cent lower than is the case in the United States. The federal tax incentives for mining result in a preferential federal tax environment. Past budgets have provided tax incentives which make investments in research and development much more attractive. These are but a few examples of the many ways the tax system plays a role in economic development and support.

Prior to formulating my budget I talked with representatives of many sectors. The recommendations of the sectoral task forces were thoroughly reviewed within my department. I benefited greatly from these efforts. Many of the sectoral task forces made recommendations concerning the investment tax credit. I have responded to those recommendations. This bill provides an indefinite extension of the federal tax credit past June, 1980. Now business will be able to plan and develop even their largest projects in an orderly fashion. Moreover, the measure will give them benefits amounting to $500 million for investments made after June, 1980.

This bill also enriches the tax credit. The basic rate of credit will be increased from 5 per cent to 7 per cent. Also other rates are increased. The benefits from the increased rates of credit apply from November 16, 1978.

These changes to the investment credit promote investment in some very important sectors. The benefits go to manufacturing and processing businesses, the petroleum and mineral industries, logging, farming, fishing and grain storage. As a result of the extension and enrichment of the investment tax credit, I look to measurable improvements in Canada's productive capacity, better growth, productivity and cost performance over the medium term.

Provisions of this bill extend the 7 per cent credit to apply to long-haul transportation equipment. Items such as aircraft, inter-city buses, long-haul trucks and trailers, vessels and railway rolling stock, track grading and other equipment will qualify. The tax benefits involved amount to about $30 million annually. Canada's transportation system is one of the sinews of the country. It will be stronger and more efficient as a result. Efficiency will mean lower costs. Also this measure will promote better services to passengers, with more modern equipment.

Regional development is a cornerstone of Canada's structural economic policies. Regional development grants are a prime example of our commitment. Fiscal equalization has long been a part of federal-provincial financial arrangements. The equalization program will provide some $2.6 billion to qualifying provinces in this fiscal year.

We have used the tax system to foster a better distribution of economic activity across Canada's regions. This bill adds to the regional tax incentives already in place. It doubles the investment tax credit in the Maritimes and Gaspé from 10 per cent to 20 per cent. This is equivalent in its effects to a cost reduction of 20 per cent of the price of eligible machinery, equipment and structures used in these areas. In other designated areas the credit rises from 7.5 per cent to 10 per cent. These areas cover most of Quebec outside the Gaspé, northern Ontario, Manitoba, Saskatchewan, parts of northern British Columbia and northern Alberta, as well as the Yukon and Northwest Territories. While it would be wrong to expect immediate results, I believe this type of distinction by region can lead to significant improvements in economic potential over time.

Also I should like to emphasize that these regionalized credit rates strongly support our sectoral policies. Mining and pulp and paper, two of the sectors toward which my budget was directed, both will benefit generally from the higher credit rates of 10 per cent and 20 per cent. As a result of the enrichment of the investment tax credit and its indefinite extension, the private sector will earn over $1 billion in benefits in respect of their investment in the first full year in which the changes are in effect. Some $500 million will be claimable immediately in the year while the remainder, mostly representing credit earned by non-taxable firms, will be carried forward to reduce tax in subsequent years.

Let me turn to research and development. Over the recent past the government has taken a range of substantial tax actions to promote R and D. Adequate incentives for R and D have been stressed by the sectoral task forces and others. Canada must ensure a first class R and D effort. More R and D in Canadian industry is essential for good economic performance over the medium term. This government is committed to doing its part to achieve this goal through a variety of measures including tax incentives, direct grants and subsidies. The bill adds to the support already in place. The basic investment tax credit for R and D now will be doubled. It will be higher than for other investments. Since 1977 the after-tax cost of R and D has fallen by half. This is a result of measures taken by me and my predecessors.

While it is too early to evaluate the full effects of these measures, preliminary indications are that firms are showing interest. They are looking to stepping up their R and D effort. Some firms which have not made a commitment to R and D are starting to do so.

I want to direct Your Honour's attention for a moment to R and D of small firms. It is a matter which has been raised in the House before. Unfortunately small firms do not themselves engage in an adequate amount of R and D. For the health of the future Canadian economy they must be encouraged to do so. This bill addresses that problem directly. It contains an R and D credit of 25 per cent for small firms. It is the richest of any tax credit applying to investment. I know of no analogous measure in another industrialized country. What matters for ensuring improved R and D performance is that R and D be made more attractive relative to other investments the firm might undertake. It is noteworthy, therefore, that for small manufacturing firms the relative cost advantage in favour of R and D over other investments is greater than is the case for large firms.

• (1720)

As a result of these measures the after-tax cost of R and D can be as low as 15 cents in several provinces. This is without taking into account any grants that may also be available. The R and D tax measures will provide a tax reduction of $100 million over and above the value of the immediate fast write-off for R and D that has been in place for some time. Several of the measures also reduce provincial taxes. Successful R and D has a high rate of return, higher than many other investments. Research and development is, however, risky. I believe that these tax incentives ensure that the risk does not lead to underinvestment. They produce a tax environment that is very favourable to attaining Canada's R and D goals.

This bill contains other tax cuts to aid important sectors of the economy. I turn first to resource taxation, and mining in particular. Federal and provincial ministers have finished a review of mining taxation. Let me say in passing that this review, in my opinion, represents a prime example of the kind of co-operation the Canadian federation can and should accommodate. The review report makes instructive reading, and I commend it to hon. members.

As I said in my budget, the report shows that the federal tax system is basically sound. In 1975, the latest year for which actual data are available, the federal tax was only some 14.4 per cent of industry profits. In the same year the federal tax rate on manufacturing was 23.6 per cent, which itself was a preferential rate compared with other industries. Under the federal system, no tax is generally payable on new mine investments until capital is recovered.

The federal share of total government revenue from mining is only some 33 per cent. This compares with our share of over-all corporate income tax from all sectors of some 70 per cent. And the federal share of revenues from mining has been declining. I do not believe, therefore, that an unbiased observer would claim that the onus was on the federal government to reduce its taxes dramatically even if further tax reductions are in order.

Nonetheless, I did decide, in framing my budget, that some additional incentives for new mine development were warranted, and I wanted to provide leadership to the provinces in this matter. Accordingly, this bill contains three major changes affecting mining. First, development expenditures will now be written off at 100 per cent immediately. Second, townsite and other social capital expenditures at new mine sites will earn the depletion deduction of one third of their cost. Third, mining will be a major beneficiary of the investment tax credit and of the indefinite extension of the pollution abatement incentive. The total value of all of these measures to mining is some $60 million per year.

I am pleased that I was able to take the lead in acting upon the principles put forward in the resource taxation report. While I, of course, cannot be sure, I expect and hope that provinces will take up this lead. I want to reiterate that the federal government will pursue the spirit of co-operation established during the review. This government will seek to avoid tax system changes that create undue uncertainty, and it will not take tax action to offset the benefits from any tax reductions that provinces introduce.

There are other measures in the budget directed to particular sectors. In oil and gas this bill provides for continuation of drilling fund incentives. They have been very successful. The amount of funds going into exploration and development in oil and gas annually, through these funds, has grown from nothing to up to $500 million currently. As a result of the extension of the measure a continued high level of exploration activity will be encouraged.

The pulp and paper industry will receive significant tax benefits over the coming years from the extension of the two-year write-off for pollution abatement equipment. This will be accomplished by changes to the income tax regulations. Reducing pollution is an important goal. This measure acts to lessen costs to industry of installing pollution abatement equipment. The pulp and paper industry will also benefit from the enhanced investment tax credit. The credit applies to pollution abatement investments as well as other investments in this sector.

Housing is benefited by extension of the preferential tax treatment of multiple unit residential buildings. It also benefits from the reinstatement of deductibility of interest on property taxes on land awaiting development. Conditions in the housing market are different than in 1974 when this deductibility was denied, and it is time to reinstate it.

[*Translation*]

Mr. Speaker, the bill under study includes important amendments which will affect businesses. The amendments I already referred to would reduce corporate taxes. Others, would have the effect of amending our tax legislation according to the development of our economy. They would allow us to make sure that federal taxes will remain fair and equitable for all Canadian taxpayers. One of the main responsibilities of a finance minister is to make sure that the taxation system will remain equitable. Bill C-37 would allow us to achieve that goal. In that context, I would like to have a look at the provisions of the bill which are related to income bonds and term preferred shares. Traditionally any income originating from such shares was considered as dividend. That was the practice, without taking into account that those shares were actually proofs of debts. It made some sense in the case of some businesses which used those shares, more precisely income bonds, when they were facing serious financial difficulties.

As a matter of fact, this is why income bonds were created in 1930. But now, this form of financing is used mainly by multinational or national companies which are in a sound financial position. For some borrowers, the fact that the financing costs are in the form of non-deductible dividends does not matter very much. Some have more tax incentives than necessary to ensure that they have no tax to pay, whatever happens. Their non taxable situation does not mean that they are in a difficult financial position.

This type of financing attracts industrial lenders because their investment income in the form of dividends is not taxable. In fact this financing system means that tax incentives which are not claimed by industrial firms can be used to reduce the tax which would otherwise be payable by banks and other financial institutions. Of course there would be no problem if the amounts were small. If the funds were going into productive investments, there would be no great difficulty, but such is not the case. Chartered bank assets in the form of income bonds or debentures and term preferred shares in the 12 months ended October 1978 went from $3 billion to $7.2 billion.

● (1730)

I have indicated that Canadian government and provincial revenues are eroded to the tune of some $500 million a year. Because of this, the tax rate on bank earnings plummeted from 40 per cent to some 30 per cent. Tax revenue from bank earnings remained roughly constant from 1977 to 1978, although their profits increased some 20 per cent. Further, a significant part of those funds did not go into new productive investments. Takeovers were thus made easier. Those funds were used to re-finance existing standard loans in order to derive maximum benefits from fiscal savings. In the period ending October 1978, the volume of that type of securities in bank portfolios increased tremendously. Also, most of their total assets used in any form of industrial financing were settled.

I could not let the situation go on. This legislation therefore provides that the revenue from shares issued after budget night will be taxed the same way as interest revenue. Revenue from that source will be taxable when received by banks and other lenders. The new issues of term preferred shares with a term higher than 10 years are more in the nature of shares than loans. For this reason they will not be affected. Borrowers facing financial difficulties will still be entitled to existing fiscal status.

I would now turn to the second major initiative of a structural nature involving the corporate tax structure. It concerns the reduced tax rate available to small businesses. As I indicated in my budget, Mr. Speaker, small businesses are afforded very generous tax provisions. This is mainly due to the lower tax rate available to those companies and the dividend. A businessman who is incorporated and earns $50,000 pays in fact $4,000 to $5,000 less in federal and provincial tax than as a wage earner or as a professional who is not incorporated, at this salary level.

The fiscal benefits of incorporation are greater at the top of the income scale. It is to the advantage of the businessman whose small business is incorporated because he can save by not distributing his business income. The income tax rate is only 20 or 25 per cent. Any additional tax payable on personal income is deferred until the businessman distributes the undistributed income. In the meantime the taxation rate for personal income tax may be less. Individuals can save on an income which is sometimes subject to much higher rates of taxation, and the opportunities for tax returns are much more limited.

The lesser taxation rate for corporations represents a reduction of $900 million a year in corporate income tax. There is an annual tax saving of $5,000 per corporation. In addition to these measures, shareholders of small companies are subject to a special tax system as regards capital gains. The study I have published and which compares the Canadian and American tax systems clearly illustrates that our tax system is much more advantageous to the small businessman.

Mr. Speaker, I firmly believe that we are justified, through our tax system, in favouring small business as such. It needs this edge to cope in the business world and with economic risks, to get the necessary capital for growth and job creation, as well as to be able to compete with larger Canadian and foreign firms.

On the other hand, I do not believe that these tax privileges must extend to activities where the characteristics of small businesses cannot be taken into account. By allowing this we would simply increase the fiscal burden of everyone else and cause a general lack of respect for the fairness of the taxation system. In this regard, certain situations in the past have caused serious problems.

Members of professional classes in certain provinces can form a corporation or a company, but they cannot do so in others. This does not provide for fairness. For instance, in the past a doctor or a lawyer living in a province where the members of this profession can form a corporation or a company paid much less federal income tax than another member of the same profession in another province. On principle, I do not believe that the provincial legislation governing incorporation should cause such major differences in the amount of federal income tax payable.

In the provinces where the members of a profession cannot incorporate, they set up management companies whose only aim was to siphon off professional income or fees as administrative, management or financial services. This income could then entitle them to the reduced taxation rate. Such management companies often belonged to the wife of a man in a professional class. Thus, the benefits of the reduced taxation rate provided for small businesses were added to those of income sharing.

The financial situation of professional classes is not the same as that of the small business. Their income is much more stable. Access to these professions is justifiably carefully controlled. The deduction offered to small businesses was implemented when incorporation by professional classes did not constitute a problem. This deduction was never aimed at providing these people with a privileged taxation status.

Other workers, such as managers, have begun to incorporate to take advantage of the reduced taxation rate. Court rulings have also entitled investment and rental income to this reduced rate. As I said in my budget speech, it would be unfair to allow such practices to go on because in so doing, Mr. Speaker, we are in fact imposing a heavier tax burden on those who are not incorporated.

The provisions of the bill and the draft regulations that accompany it are aimed at four types of businesses: first, doctors, dentists, lawyers and accountants; second, businesses set up to offer managerial, financial, administrative or similar services to an associate company; third, businesses set up to manage the investment portfolio of an individual; fourth, the employee who incorporates himself. The details that apply will be found in the draft regulations I have had published. I am still receiving useful observations with regard to the specifics of those regulations. I promise to examine any question submitted to me by hon. members in the course of this debate. I shall put the finishing touches to the regulations in light of all the comments I shall have received.

Mr. Speaker, I should like to mention four specific points to hon. members: first, those provisions do not alter in any way the right to incorporate when there are valid reasons to do so and when provincial laws allow it. I expect that some members of the professions, management businesses and others will continue to incorporate. Second, the provisions stipulate the same rate of income tax for all groups concerned, as is the case in a good many other businesses: no more, no less. Finally, those who are already incorporated can, in many cases, see to it that their income tax is no higher than if they were not incorporated and received their income directly.

Third, my measures provide small incorporated businesses with a privileged fiscal system when compared to what exists in the United States where incorporation provides much fewer tax advantages. They have nothing comparable to our dividend tax credit. It is therefore impossible in the United States to pay less tax by having the income pass through a business instead of getting it directly. There are tax fines levied on income from professional service businesses and personal assets businesses. Therefore, the U.S. tax system tends to discourage the practice of deferring income tax by not distributing funds. Fourth, those measures concern more than a few of the 300,000 small incorporated businesses eligible for the reduced tax rate.

Businesses in the manufacturing, processing, construction, agriculture, fisheries, resource mining and development, wholesale and retail trade sectors continue to benefit from the provisions for small businesses. It will be the same for nearly all businesses in the service industries, including hotels, motels, businesses providing personal, particular or teaching services, driving schools and general insurance agencies.

Finally, Mr. Speaker, this bill requests a borrowing authority of some $10 billion for fiscal year 1979-80. Hon. members will recall that in November, 1978 additional authority for $7 billion was granted. Most borrowing authorities obtained before November, 1978 have been used, except for a part that remains available for the next fiscal or subsequent years. Any unused amount of the $7 billion borrowing authority granted last November will be cancelled on March 31, 1979.

We anticipate for 1979-80 cash requirements of some $10,750 million, excluding exchange rates. The borrowing authority requested at this time should be enough to meet our cash requirements and a margin for contingencies like foreign borrowings. The government is expected to begin fiscal 1979-80 with rather high cash balances part of which could be used to meet cash requirements.

All unused borrowing authorities provided for in this new legislation for 1979-80 in respect of which the governor in council has not taken any action will be cancelled on March 31, 1980, under section 37 of the Financial Administration Act. Mr. Speaker, those are the remarks I wanted to make in introducing this bill which flows from my budget.

I was not in the House yesterday when I was blamed for being absent. I want to apologize to the House—

• (1740)

[*English*]

If I was not here it was because I had a long standing engagement to make a speech in New York before an important forum. Suddenly yesterday the opposition decided that it was a good time to have a motion. This motion could have been debated during other opposition days earlier on. In any event I was working in New York yesterday, and today I was speaking in Quebec. I have not had time to read the speeches and comments that were made in my absence. I have been informed of a few points and perhaps I can talk about them now.

Questions were asked yesterday. By the way, I would be glad, Mr. Speaker, if you would stop me at this point. If you can guarantee that during the debate on this budget bill, no one will speak about the dollar, I will shut up right away.

[*Translation*]

Mr. Deputy Speaker: Order. I do not want to prevent the minister from making the comments which he may deem necessary. However I think the only weakness in his preliminary comments is a reference to yesterday's proceedings, a debate which has already been concluded. If he wants to deal with general budgetary matters which he could link up with the bill under consideration, I have no objection. I am prepared to listen to the minister and judge as time goes on the acceptability of his statements.

Mr. Lambert (Edmonton West): On a point of order, it was my intention to rise and not to go back to yesterday's debate but to discuss the present bill, in particular clause 70 dealing

with the $10 billion and the money borrowed to support the Canadian dollar. This subject is opened for discussion, so let us hear from the minister. I would be interested in knowing his answers on this question. I will reply. His statements could be applicable to yesterday's motion, but I think it is a sensitive issue. The problem exists. It was not as obvious in the past.

[*English*]

Mr. Chrétien: Mr. Speaker, I am happy to be able to say a few words. However, I will not refer to yesterday's debate too much.

I am glad the hon. member is a gentleman and he recognized that I had good reason to be absent yesterday. I hope that he will read the speech made by the hon. member for Don Valley (Mr. Gillies). He did not speak well of me because I was not here. In my opinion I was doing a lot of good for Canada yesterday.

Some hon. Members: Hear, hear!

Mr. Chrétien: I want to raise a few points because some of the comments from yesterday make me laugh. The Leader of the Opposition (Mr. Clark), when he was talking yesterday about the dollar, asked a series of questions. It was obvious that he did not propose any solutions. When he put forward solutions during the last few months he fumbled them all, from sovereignty association to the referendum and so on, even the phantom deficit. It is all related to the budget.

[*Translation*]

Mr. Deputy Speaker: The hon. member for Edmonton West (Mr. Lambert) on a point of order.

Mr. Lambert (Edmonton West): Mr. Speaker, I am prepared to listen to the minister's statements on the value of the dollar because that is an important issue. But if he wants to get involved in politicking, and repeat the same old rehash you hear at every street corner and which is reported by the press, which is more interested in cigarette butts and chickenshit, fine, but not in the House. I am interested in the $10 billion. I want to hear his statements on that and nothing else. He can save that for the St. Maurice region or anywhere else, if he wants.

[*English*]

Mr. Chrétien: Mr. Speaker, a week ago the opposition was telling Canadians that we have no more reserves. We have $5 billion in our reserves. Yesterday the Leader of the Opposition got up in this House and asked why the minister was not revaluing the gold reserves.

The market knows that we have $1 billion worth of gold carried on the books at its old value of $40 an ounce. If I said that that gold will now be valued at its market value of $220 an ounce, then I would show $4 billion more in reserves. The opposition would then be the first to get up and state that the Minister of Finance is trying to fool the public by revaluing the gold reserves.

[Mr. Lambert (Edmonton West).]

A few days ago the Leader of the Opposition was talking about the fact that we have no reserves, and now he is saying that I am underestimating the reserves because I have $1 billion which has been carried on the books at $40 an ounce, and he says that we should probably revalue it to $220 an ounce. It seems to me the opposition should make its mind up about this matter, because the public will certainly have some questions to ask.

Relating to the level of the deficit, people on the other side are always talking about the deficit of this government and saying that the debt level is so fantastically high. I would like to tell hon. members that in 1962 under the last Conservative government—and I believe the hon. member for Winnipeg North Centre (Mr. Knowles) was here at that time—the public debt in Canada was 33.4 per cent of the gross national product, and today it is only 18.9 per cent.

Some hon. Members: Oh, oh!

Mr. Chrétien: It is quite obvious that we have a drop in our debt in relation to the GNP.

I would like to place some more facts before the House because I expect to hear some funny theories coming from the other side.

An hon. Member: Too bad their members are not here.

Mr. Chrétien: Yesterday the Leader of the Opposition and members of the opposition, during the course of asking bright questions but not offering any solutions, asked why I was not going to the IMF. It is very simple. One goes to the IMF when one is broke. Canada's credit is good. We can go to Germany, Japan and the United States any day for credit. Yesterday I was in New York and I could have borrowed $1 billion just like that. So I am not going to the IMF, and for a very good reason. When one is forced to go to the IMF it is because there is no more credit available. As well, if one goes to the IMF, the IMF will then run the country for you more or less, because they set down the guidelines. If we can go on the open market and borrow money, it is because Canada's credit is pretty good. If the Leader of the Opposition did not know that, I will tell him today.

● (1750)

The professor from Don Valley asked why we do not force the Bank of Canada to reduce its secondary reserves. We could do that. However, what would be the effect? The effect would be to push the interest rates higher. It would reduce the money supply in Canada. That is the same member who got up and complained about the high level of interest rates in Canada.

I would like the public to reflect on the policies they propose. I could give the whole list, one after the other. They are laughable. There will be other occasions for that. Tomorrow I will be before the committee.

I do not want to take much more of the time of the House. As all members know, I would have loved to have been here yesterday to reply to the Leader of the Opposition and to have

talked about the phantom deficits that come and then disappear. However, I had a long-standing obligation to be in New York to speak about the future, the potential, the wealth, and the freedom of Canada. That is why I was there.

One of the problems in Canada is that too many people are negative. You do not have to travel far to realize how well off we are in Canada. One need only look at the present crisis in Iran. How many countries can face the oil and gas problem the way Canada can? We have a lot of potential. In the budget bill introduced today we give more incentives to the oil and gas industry to invest in order to find more oil and gas in Canada. We have put forward many propositions of that nature.

Mr. Lambert (Edmonton West): It is not for that reason.

Mr. Chrétien: We have been the government lately. Some say too long. We have helped to escalate development of the tar sands. We have given great incentives so that exploration for oil and gas will be carried out in the north and in the Beaufort Sea.

When I see the troubled world in which we live today, I see that we are a very fortunate people. Of course this country is not perfect. After all, we are all human beings. But Canadians do not realize how fortunate we are.

Some say we do not have good economic policies in Canada. I was privileged to be in Argentina on a business trip during the recess. I was amazed at what I was told by the minister of finance of that country. He told me that right after the war Canada and Argentina were equal in terms of population, GNP, resources, and potential. We have followed two different courses. They became extremely nationalist, protectionist, and intervened a lot. We did not. We became the traders of the world. Per capita, we are the biggest trading nation in the world, almost $100 billion of trade both ways, export and import, and a gross national product of $250 billion. They followed the course of closing their borders, intervening in efficient industries, and becoming protectionist.

Look at the results after 30 years. Our GNP in American dollars is about $220 billion. Theirs is about one fifth of that. We buy and sell about $85 billion U.S. every year. Argentina buys and sells on the international market about $10 billion or $11 billion. Our figure is eight times as much because we have followed the course of an open society in trading with the world with no exchange controls, importing and exporting capital and dealing with all nations of the world. When I hear all the gloom and doom speeches, I think there is nothing better than what we have here.

Some hon. Members: Hear, hear!

Income Tax

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, we have had a very interesting winding up speech on the opening of an income tax bill. In the last ten minutes the minister reopened many a debate. He has fashioned the hair shirt and he will have to wear it. The hon. member for York Centre (Mr. Kaplan) has been travelling as well. However, we have been sitting in the Standing Committee on Finance, Trade and Economic Affairs. My colleagues are now at the committee discussing precisely the points about the state of the Canadian dollar with the governor of the Bank of Canada.

I had hoped the minister would not get into "politicaillage" irrelevant, cheap political jibes. However, they did not bother me. I have heard far more—

Mr. Stollery: Where were you yesterday?

Mr. Lambert (Edmonton West): I sat in committee for seven hours, far more than the hon. member ever does.

Mr. Stollery: I was here in the House of Commons listening to all the cheap jibes from the other side.

Mr. Lambert (Edmonton West): It was one of the few times you were here. I suggest to the minister that as a result of these interventions there will be replies. The minister talks about gloom and doom. He should have been here to hear the four horsemen then on this side, when the dollar was at 95 cents, and we had the audacity to peg it at 92½ cents because we were then under a controlled exchange set-up with the world monetary fund.

The situation is now a lot different. Today the dollar is at 83 cents, the lowest it has ever been in my lifetime, and I am sure in the lifetime of the hon. member for Welland (Mr. Railton), and even the hon. member for Winnipeg North Centre (Mr. Knowles). I am not being disparaging when I say that, but I am sure it is longer than the lifetime of any person in this House. When the dollar went from 95 cents to 92½ cents, you should have heard the doom and gloom. Gracious me, this is nothing! Nothing is being said in comparison to what was said at that time. If the Minister of Finance (Mr. Chrétien) wanted to open the debate on this, that is fine. I will continue for the rest of my time in discussing the bill.

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

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker, I wonder if the Minister of Finance (Mr. Chrétien) could tell us if it is the intention of the government to carry on this debate tomorrow.

Mr. Chrétien: Yes, Mr. Speaker.

Mr. Deputy Speaker: It being six o'clock this House stands adjourned until two o'clock tomorrow afternoon pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 15, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

CRIMINAL CODE

NEED FOR FURTHER DEFINITIONS RESPECTING SEXUAL OFFENCES—MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In light of the decision in the case of *The Queen v. Pink Triangle Press,* whereby Provincial Judge Harris dismissed a charge of obscenity because, in his words, "Parliament has failed to define immorality clearly enough so that its courts can judge what is moral and immoral as far as it affects children". I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That as the Attorney General of Canada is severing Bill C-21, the big amendment to the Code, and bringing in a separate bill by consent of the opposition in reference to the definition of "soliciting" and "public place" as to prostitution, that he therefore also produce in the same bill a new definition of "obscenity" as far as it affects children and, in particular, make it illegal for any publisher, either by photograph or by writing, to depict a child engaged in or participating in an act of masturbation, sexual intercourse, gross indecency, etc., in light of the fact that the city of Toronto has already experienced the horrible murder of a young boy by the name of Emanuel Jaques, and child obscenity in that city is still flourishing.

Mr. Speaker: The introduction of such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SOCIAL INSURANCE

REQUEST FOR CESSATION OF EXPANDED USE OF SOCIAL INSURANCE NUMBERS—MOTION UNDER S.O. 43

Mr. Jake Epp (Provencher): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that employees at the Canadian Grains Commission in Winnipeg were informed yesterday that they would not receive their pay cheques today if they did not produce a social insurance number, this directive including employees with 20 to 30 years' service, I move, seconded by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn):

That the government remove the directive that pay cheques will not be issued to employees if they do not produce a social insurance number, and further, that the government cease expansion of the use of the social insurance number beyond the social assistance programs to which the government assured the Canadian public the usage of the social insurance number would be restricted.

Mr. Speaker: Such a motion can be introduced at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

SPORTS

REQUEST THAT GRANTS BE MADE TO AMATEUR, NOT PROFESSIONAL, SPORT—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise under the provisions of the same Standing Order.

Not only has the Minister of State for Fitness and Amateur Sport offered some $18 million to four cities for arena construction, but she is presently offering some $29 million to the city of Vancouver for another professional complex. In the light of the result of the Soviet-NHL All-Star games, I would move, seconded by the hon. member for Broadview (Mr. Rae):

That these proposals be withdrawn and that in their place the minister provide substantial funding for hockey coaching schools and genuine amateur hockey, the study of Soviet and European hockey systems, and the integration of a good hockey program into the public and post-secondary educational system. Further, that the minister get back to her proper responsibility, which is amateur sport and fitness and not the subsidization of professional sport.

Some hon. Members: Hear, hear!

Mr. Speaker: The motion can be introduced at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

ENERGY

REQUEST FOR STATEMENT ON AVAILABILITY OF OIL SUPPLIES—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I rise, under the provisions of Standing Order 43, to seek unanimous consent for the following motion.

Given the uncertainty of government action with respect to both immediate and future oil supplies for eastern refineries, and having regard to the discourtesy shown to this House by the Minister of Energy, Mines and Resources in calling a press conference at 1.30 p.m. today, thus precluding an opportunity for hon. members to move under the provisions of Standing Order 26, I ask leave to move, seconded by the hon. member for Halifax-East Hants (Mr. Crosby):

That the minister rise in his place on motions at 3 p.m. today and make a full report to the House and to Canadians clarifying the situation with respect to the availability of oil supplies.

Mr. Speaker: The introduction of such a motion at this time can be made only by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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FISHERIES

A COD'S A COD FOR A' THAT!—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that the voiceless codfish, long forgotten by humane societies and by the world, but now at last recognized as the noble cod, is the subject of ecological and environmental as well as humane concern by a new organization founded in St. John's, Newfoundland, by Miller H. Ayre and known as Cod-Peace, of which Ayre is the cod-ordinator, and in view of the fact that the purpose of Cod-Peace is to protect the cod, particularly against the voracious, rapacious and unprovoked attacks of the savage seal, I would move, seconded by the codfatherly member for St. John's East (Mr. McGrath):

That Cod-Peace be supported and encouraged by all cod lovers of Canada and that the chief cod of Canada, the Minister of Fisheries, make arrangements for the support and protection of Cod-Peace and for arrangements to be made for a national yum flipper feast during the festival of the Easter seal in late March, since the time is at hand for all cod lovers of the world to rise since they have nothing to lose but their cod-peaces.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Fort William (Mr. McRae).

[Mr. Speaker.]

ENERGY

GOVERNMENT RESPONSIBILITY FOR ENSURING ADEQUATE SUPPLIES OF ENERGY—MOTION UNDER S.O. 43

Mr. Paul E. McRae (Fort William): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Given the statement of complete support by the Leader of the Opposition for the demand of Premier Lougheed for provincial control over all aspects of resources, and given that Exxon has announced the diversion of 25 per cent of Imperial Oil's supply of petroleum intended for Canada to the United States, I ask leave to move, seconded by the hon. member for Welland (Mr. Railton):

That the government reaffirms its national responsibility by ensuring that no section of this country be deprived of the benefits of the petroleum resources of the nation; also that the government, through the Minister of Energy, Mines and Resources, instruct Petro-Can to begin negotiations with its counterpart in Venezuela, as it is doing in Mexico, with a view to replacing the diverted oil.

Mr. Speaker: Unanimous consent of the House is required before such a motion can be presented for debate. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIR TRANSPORT

OBJECTION TO STOL PORT ON TORONTO ISLAND—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the recent application by Canavia to expand the Toronto Island airport for use as a STOL port, and in view of the fact that such a STOL port would operate at a significant loss for the foreseeable future, would have a serious impact on the environment and would be used exclusively by business executives, not by the ordinary travelling public, and in view of the fact that the overwhelming majority of the population of the city of Toronto have expressed disapproval of such a STOL port through their elected representatives, I ask leave to move, seconded by the hon. member for Greenwood (Mr. Brewin):

That the Department of Transport intervene in hearings before the Canadian Transport Commission indicating its disapproval of the establishment of such a STOL port on Toronto Island.

Mr. Speaker: Is there unanimous consent that the hon. member's motion be presented for debate?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

ENERGY

MEASURES TO ENSURE ADEQUATE SUPPLY OF OIL TO CANADIAN REFINERIES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. On at least five separate occasions in this House over the last ten days the Minister of Energy, Mines and Resources has attempted to calm and soothe the fears of some of us that the Iranian disruption of crude oil supplies was serious and would bring about a worldwide shortage and that due to the lack of any meaningful policies on the part of this government, Canada is particulary vulnerable.

Because of our exposure in the House yesterday with regard to the deplorable situation of Imperial Oil, the minister has now done a complete flip-flop and agreed that the situation is serious. Because the minister is now putting the heat on Exxon of the United States and Imperial Oil of Canada because of the disruption of their offshore supplies, I wonder if he can tell us what he is going to do about a similar cutoff of offshore crude supplies to the Canadian refineries of BP, Fina, Golden Eagle and Texaco all of which are suffering because of the same type of percentage cutoff which Imperial Oil at its Montreal and Dartmouth refineries is suffering.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, the hon. member inadvertently misquoted my position: that is not a new tactic on his part. Hon. members will realize that I have repeatedly stated in this House that the situation is serious. *Hansard* will show that I have said it is a serious situation, but I have also said that it is a manageable situation. I believe it is manageable and I have indicated to the House why.

We have some excess oil producing capacity in the west which can be traded for offshore oil which would, therefore, take care of the eastern refineries. I have reported this to the House on numerous occasions in the last couple of weeks. What the hon. member for Northumberland-Durham does not realize is that Venezuela is a different kind of source of supply for Canada than is the Middle East. We have had a very long history of supply from Venezuela. Venezuela has been our major supplier; roughly 40 per cent of our imports come from Venezuela. I was in Venezuela about a month ago and at that time I sought the assurance of the Venezuela government and Petroleos de Venezuela, the national oil company of Venezuela, that they would continue to supply Canada. They gave me that assurance.

In the case of Exxon and Imperial Oil we are dealing with a very special situation because Imperial Oil gets all its oil from Venezuela. That is the difference between Imperial Oil and the other companies the hon. member mentioned. I think I would have been remiss if I had not insisted on the undertaking that Imperial Oil establish a direct contracting relationship with Venezuela so that Exxon cannot siphon off supplies which should be coming directly to Canada.

Some hon. Members: Hear, hear!

Mr. Lawrence: Mr. Speaker, due to the ineptitude of this minister and this government we will have serious difficulty next autumn, at the very latest, with respect to our oil supplies. In the reversal of the minister which took place within the last hour he admitted that next fall, at the very latest, we will have serious supply difficulties. He has indicated some remedy with regard to Imperial Oil of Canada, but what is he doing about a similar situation which is affecting at least four other Canadian refineries and companies with respect to offshore oil?

Every Canadian refinery in eastern Canada will suffer under the allocation agreement, because our own pipelines may not have enough capacity to bring even Canadian western crude into eastern Canada. What is the minister doing about these other four companies? What is he doing about the other six Canadian refineries in eastern Canada?

Mr. Gillespie: Mr. Speaker, I do not know what has distracted the hon. member or what has preoccupied him. I do not know why he has not been following the debates in this House. I have made it very clear over the last several weeks that the exchange arrangements, which have been authorized by the National Energy Board, of the companies the hon. member has mentioned will replace the shortfall these companies otherwise would have. Using western crude on a temporary basis, it is possible to make up for the shortfall of crude which would have been affecting those refineries. That is quite clear, it is on the record, but the hon. member seems only now to have realized what has been going on.

Mr. Lawrence: Mr. Speaker, the minister has not only tried to pour oil on troubled waters with respect to the public of this country, but he has even lulled into lethargy some of his cabinet colleagues who should have known what the situation was yesterday. One need only go through the quotations of the minister in this House over the last ten days. I ask the minister again, very sincerely, why he has not informed the Canadian public of the seriouness of this situation. Why has he not told us the truth regarding an extremely serious situation which we are going to face because of his ineptitude?

Mr. Speaker: I think the hon. member will recognize that that question has an element of argumentation.

• (1420)

CONTROL AND MONITORING OF OIL PRICES AND SUPPLIES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, if the Minister of Energy, Mines and Resources and his colleagues would take eastern Canada seriously, maybe they would make some inroads and get some political support there. I have two questions for the minister. What authority does the minister believe—

An hon. Member: Oh, oh!

Mr. Forrestall: Never mind. You have trifled with us long enough, sir. What authority does the minister believe he has, or understand he has within his competence as minister, to control allocation, to monitor that allocation, to control prices and to monitor the prices of the very high-priced oil we will get as a result of the swaps, only one of which has the approval of the National Energy Board to date?

What monitoring and what control mechanisms does he have, or does he believe he has, that he can put into place to make sure that we do not freeze in the dark in eastern Canada next winter?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): I do not think the hon. member understands the situation. He seems to be arguing that we should not try in any way to make up the shortages that will occur in eastern refineries as a result of actions taken by others outside Canada. That is quite clearly what he seemed to be saying.

I have been stating in the House for two weeks that we can use western Canadian oil to make up that shortage. That is why we have taken the policy position, which the National Energy Board is administering, on submissions by refineries in eastern Canada which will provide them, in effect, with the same volumes of western Canadian crude. I do not think the hon. member really understands the situation. He seems to be saying that we should turn it all over to the multinational corporations, we should let the multinational corporations decide what is best for Canada, and we should stand back and accept the shortages which would inevitably occur with that kind of policy.

An hon. Member: The Pagliacci of the country.

Mr. Forrestall: Thank God some time in the spring the people of this country will get rid of clowns like that.

The question I am putting to the minister is simply this. What assurances at this point can the minister give the House, the refineries and the people of eastern Canada that starting April 1 there will be an adequate supply for the refineries? We do not believe him when he tells us all is well. Let him tell us precisely what assurances he can give us that there will be an adequate supply of oil for eastern Canadian refineries, starting April 1.

Mr. Gillespie: Mr. Speaker, I have told the House repeatedly that we received assurances from the head of Petroleos, the national oil company of Venezuela. I received assurances from the Venezuelan government at the highest levels that Venezuela wanted to continue the export of 200,000 barrels of oil a day to Canada. That is 40 per cent of our imports. They are our major supplier.

● (1425)

It is because Exxon decided, for its own purposes, to intervene and to divert something in the order of 25,000 barrels a day of that oil from Canada that I took the position with Imperial Oil. Imperial Oil accepted the first time around. They have made certain other arrangements which may tide them through. Also, I have made it quite clear to them that the kind of exchanges we are talking about will not be available to them and that the shortages they then may face will have to be made up by the competitors.

[Mr. Forrestall.]

SUGGESTION PETRO-CANADA PURCHASE VENEZUELAN OIL

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, despite the bland and misleading assurances of the minister in the past week, which were repeated today—

Some hon. Members: Oh, oh!

Mr. Broadbent: —Canadians can now, with this oil crisis, see very clearly what it means to have our major natural resources owned and controlled by multinational corporations. That is the message.

Some hon. Members: Hear, hear!

Mr. Broadbent: Just an hour ago, in his press conference outside the House, the minister acknowledged that the request made by Imperial Oil to its parent company to ensure we received a fair allocation had been ignored. The minister acknowledged that, but he repeated his insistence that the branch plant go back and tell its boss what to do. The minister expects us to accept that. Who does he think he is kidding?

Considering that the east coast in particular needs the assurance of supply, and considering that the parent company—in this case, Exxon—has not met the request of the Canadian subsidiary, why is the minister not taking steps to ensure that Petro-Canada be the exclusive purchaser of that Venezuelan oil about which he talked so glibly today?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, Petroleos de Venezuela, the national oil company of Venezuela, indicated that it would like to do business with Petro-Canada. Indeed, they have entered into joint arrangements with respect to research and development on heavy oil. Also, they have had some discussions with respect to oil shipments. It is possible—I do not want to say more than that at the present time—that Petro-Canada may be able to obtain a shipment directly from Venezuela. The hon. member must recognize that at the present time Venezuelan production is committed fully.

Mr. Broadbent: Mr. Speaker, if Venezuelan production is committed fully, I should like to know how the minister expects to make up the shortfall with Venezuelan oil.

Miss MacDonald: That is right.

Mr. Broadbent: Considering Imperial Oil is reducing its allocation to its Canadian subsidiary by 25 per cent, Gulf by 20 per cent, BP by 45 per cent, Petrofina by 35 per cent, and the government is so proud, or has been in the past, of these multinationals having control of our oil resources, will the

minister now give assurances that it is government policy to do in Canada what has been done in many other nations, that is, to make a publicly-owned and controlled oil company, Petro-Canada, the principal firm in that industry in this country?

Some hon. Members: Hear, hear!

Mr. Gillespie: Mr. Speaker, measures have been taken already by Petro-Canada to provide for the security of Canada and Canadians through the arrangements which I have indicated already vis-à-vis Venezuela. There have been discussions respecting crude oil purchases. I have indicated there may not be any crude oil available at the present time. Also, I have indicated to the House that Petro-Canada has been pursuing actively a contract with Pemex, the Mexican national oil company, for exactly the same purposes, obtaining a secure source of oil for Canadians of 100,000 barrels a day. That 100,000 barrels a day is equivalent to the production Canada has been drawing historically from Iran.

Mr. Paproski: That is three years down the line.

Mr. Gillespie: I am not suggesting that would be available to Canada right away, but I have suggested the negotiations with Pemex have been moving forward very well and we can expect to receive some oil from Mexico this year.

● (1430)

Mr. Broadbent: Mr. Speaker, on the question of assurance of supply the minister has just given the case away. He has continued to express his pious hope, with no hardrock guarantees, that Canadians on the east coast will be able to get the oil they will need in the future. He has just given the case away.

I should like to ask him a question with regard to price. Since we are not getting an assurance of supply, will he now assure Canadians that his good friends, the multinationals who are shortchanging us in respect of supply, will not in the next few weeks and months double or in any way significantly change the price they are charging Canadians for this oil to which they are entitled?

Mr. Gillespie: Mr. Speaker, some of the producing nations have already changed the price. OPEC announced an increase of 5 per cent at the beginning of this year, and there is another one to come very shortly at the end of the first quarter. Some of them have already indicated that the extra volumes they are presently lifting to make up for the Iranian shortage will go at higher prices. There may well be higher prices worldwide, but those higher prices are not manufactured or created by trading companies or multinationals; they are higher prices created by producing countries, and there is nothing Canada can do about that.

As to the possibility of profiteering by multionational corporations or trading companies, I have already indicated to the watchdog committee of the Economic Council, CSIP, that we will be asking it to investigate any situation which comes to our notice, or any reasonable allegation of profiteering.

[*Translation*]

AGRICULTURE

MEASURES TAKEN TO CURB SALMONELLOSIS EPIDEMIC IN LÉVIS-BELLECHASSE, QUEBEC

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of Agriculture.

According to a news item published in the newspaper *La Presse* today, it would seem that the incidence of salmonellosis in the Lévis-Bellechasse area is such as to constitute a threat of epidemic, and 150 to 300 dairy herds representing 15,000 dairy cows could be affected. Can the minister tell the House whether he has been advised of the matter and, if so, what steps have been taken by his department to prevent such an epidemic?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Yes, Mr. Speaker, we are very much aware of this. Over a period of time our inspectors have run incubation tests on feed, etc., in our laboratories in Calgary. They have confirmed the fact, in the laboratories in the province of Quebec where they have also run some of these tests, that this salmonella problem has come from the feed supplied to these people in Quebec by one of the large feed companies. Both laboratories came to the same conclusion.

There is no danger to anyone drinking the milk, as long as it is pasteurized. Anyone who consumes milk in its raw state would be taking the risk of getting salmonellosis. It is a very serious thing, and it affects approximately 10,000 to 15,000 head of cattle in that part of the province of Quebec. This is something that should not have happened, but it is something that has happened. We are very concerned that this should ever happen in the feed industry to the extent it has here, and particularly to such a developed company which is known worldwide for its efficiency.

I do not know what more we can do at this time, Mr. Speaker. We are putting new feed supplies into that area, and they are trying to decontaminate—

An hon. Member: Oh, oh!

Mr. Whelan: —the committee, and perhaps the hon. member. Mr. Speaker, I think that the member who is yelling may have something, but I do not know what it is at the present time.

Some hon. Members: Oh, oh!

[*Translation*]

INQUIRY WHETHER FEED QUALITY LABORATORY WILL BE ESTABLISHED IN EASTERN CANADA

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, on a supplementary. According to the same news item, the general director of the inspection service of the Quebec agriculture department believes that the federal government is to blame

for not having enough inspectors to ensure adequate supervision, and having to send samples to the laboratory in Calgary which naturally reduces the efficiency of what supervision there is.

Can the minister tell the House whether he plans to set up a laboratory in eastern Canada located near those producers or near the feed mills to reduce the time span between shipping out the samples for analysis, and obtaining the results?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member should probably know that we decontaminate the material that is used in this feed program, and that it comes from the province of Manitoba. It is not just coming from the province of Quebec: it is associated with a wide, wide area in Canada; that is the area from which the problem arises and we cannot inspect every little batch of feed that is being used—there is no way we can do that. The feed companies have that responsibility.

The suppliers should have a sense of responsibility in relation to good hygiene practices in order to make sure these inputs to the feed program, or feed rations, are handled in a much better fashion. We have one of the best records in the world for controlling animal health and feed inspection. If we had more money, we could have inspectors running up and down the road, as is the case in some socialist countries, getting in everybody's hair; but we depend on society itself for a certain amount of efficiency.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, can the minister tell the House whether the multinational Purina will compensate the breeders for their losses? If not, will the federal government make an inquiry in order to protect our dairy industry, our dairy producers, and avoid aggravating the beef supply situation in our country?

[*English*]

Mr. Whelan: Mr. Speaker, I think the hon. member will find, if he checks the court records, that they show this is not the same virus that causes salmonella. Having regard to the overuse of different kinds of hormones in feed, I think the record will show that the courts and the companies have been very good in compensating producers for losses.

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TRADE

SITUATION RESPECTING NEGOTIATIONS ON INTERNATIONAL WHEAT AGREEMENT—POSITION TAKEN BY CANADIAN DELEGATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce which has to do with a meeting that has been going on for several months, with 70 nations, at Geneva in an endeavour to obtain an International Wheat Agreement to take the place of the agreement that has been in effect since 1971.

It has been stated today that the whole negotiation has collapsed. That being so, the result is, or could be, of momentous proportions with regard to Canada's economy and the welfare of farmers generally. I would ask the minister, what is the present position? Is it a fact that the agreement is terminated? If so, is anything being done to restore, on a temporary basis, the 1971 agreement?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it is a fact that the agreement discussions in Geneva have come to an end. The countries were not able to reach agreement on price levels or on a price range that would have been adequate to cover the farmers' cost of production. There is a spirit of continuing the food aid convention and also of assuring that discussions can begin again.

I should say, Mr. Speaker, that the Canadian delegation did an extremely good job in trying to ensure that farmers were protected in regard to a fair return, and they were supported at all times by the producers' advisory group. It had been our position throughout that the producers' advisory group had to be satisfied with the kind of agreement we might achieve, or we would not want to enter one. I can say, of course, that in the absence of that agreement we will continue our work with exporters and others to achieve a fair return for our farmers on the world market.

● (1440)

Mr. Diefenbaker: Mr. Speaker, this is the first time that a minister of industry, trade and commerce has had a Charlie McCarthy in the House.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Would the Minister of Industry, Trade and Commerce tell the House what stand was taken by the Canadian delegation? Why did the delegation oppose signing the agreement which on the face of it seemed to be fair and reasonable?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, to convince the right hon. gentleman that McCarthy does know the facts, the government acted upon the advice of the advisory committee. The advisory committee was made up of Mr. Turner of the Saskatchewan Wheat Pool, Mr. Roy Atkinson of the National Farmers Union, Mr. Lorne Parker of the Manitoba Farm Business Bureau—

Mr. Paproski: Otto's friends.

Mr. Horner: —Mr. Dobson Lea of Unifarm in the province of Alberta, Mr. Al MacPherson, president of the Alberta Wheat Pool, Mr. Jim Deveson and Mr. Ivan McMillan of the

Palliser Wheat Growers in the province of Saskatchewan. All those people advised the negotiating committee not to sign the agreement; that to sign the agreement as it was proposed would be detrimental to Canadian wheat producers. The government acted on that advice and their own wisdom and decided that this would not be a good agreement; that somewhere down the road a better agreement could be signed.

Mr. Diefenbaker: Mr. Speaker, now that the responsibility has been taken off the back of the government and its representatives, what is being done now to bring about a temporary agreement? The Minister of Industry, Trade and Commerce, I know, is greatly interested in this matter, as he should be. Could he tell the House what is being done now to assure the wheat producer that he will not find himself in an almost impossible position?

Mr. Horner: Mr. Speaker, the 1971 wheat agreement will be extended past June 30. We believe that the world market for wheat is expanding and that the price is on the rise, not on the decrease. It would have been detrimental to sign an agreement when prices are too low. I am deeply concerned about the wheat farmers, as the right hon. gentleman knows. My sons will sell a considerable amount of wheat this year—

An hon. Member: Conflict of interest, Jack.

Mr. Horner: —and, of course, they and all the farmers are interested in obtaining the best price possible.

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[*Translation*]

CORPORATE AFFAIRS

INQUIRY WHETHER GOVERNMENT WILL INTRODUCE LEGISLATION TO LESSEN POWER OF FINANCE COMPANIES OR ABOLISH THEM

Mr. Jacques Lavoie (Hochelaga): Thank you, Mr. Speaker. My question is for the Minister of Consumer and Corporate Affairs. In view of the fact that in the Hochelaga and Maisonneuve ridings along Ontario and Sainte-Catherine streets there is an extremely high number of finance companies, and in view of the fact there are cases like the one I have here where someone who borrowed $5,000 and repaid more than $800 but failed to make one or two payments discovered that he still owes $5,070 could the minister tell the House if he intends eventually to bring forward some legislation with a view to either lessening the power of finance companies or wiping them out completely and leaving that business to the banks?

[*English*]

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, the government did introduce legislation in 1976 to deal with borrowing, deposits and interest rates. That bill would have obliged disclosure of all costs and charges and would have dealt with the problem raised by the hon. member. But, as he knows, that bill died on the order paper at the end of last session.

However, in the meantime the Minister of Finance has published draft cost of borrowing disclosure regulations for banks which will cover borrowing, interest rates and costs and charges with respect to bank loans. I still intend to introduce amendments to the Interest Act to deal with other types of interest.

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THE CANADIAN ECONOMY

DEVALUED CANADIAN DOLLAR—EFFECT ON INFLATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my initial question is addressed to the Prime Minister. It centres on the report issued today by the Centre for the Study of Inflation and Productivity which, as we know, is a body that was established last summer at the request of the Prime Minister. This body has disclosed that 33 per cent of our inflation over the past two years is due to the falling dollar, a subject which we have debated so often in this House. That is, 6.5 per cent of our inflation is due to the simple fact that the dollar has fallen so fast and so far.

On June 29 I asked the Prime Minister if he was aware that a local commentator had said that the cost of the falling dollar on inflation was 4 per cent. The Prime Minister on that date said he had not done the calculation. Would he tell the House, now, does he agree with the body that was set up at his own request, that in fact 33 per cent of our inflation is due to his falling dollar?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the member said twice in his question that the Centre for the Study of Inflation and Productivity was set up at my request. It was set up at the request of the provinces at a federal-provincial conference meeting. The federal government had other plans for the post-AIB monitoring period and the provinces asked us to proceed in this way through the Economic Council of Canada. That is just to set the record straight.

As far as the effect of the falling dollar on inflation is concerned, I have said, as has the Minister of Finance, that anybody who knows the situation recognizes, of course, that one of the effects of a falling dollar is to increase the cost of living in Canada, because Canada is a country which imports many things. It also has the effect of favouring our exports and, therefore, gives jobs to Canadians.

Some hon. Members: Hear, hear!

Mr. Trudeau: This is so evident that I do not know why the hon. member keeps asking the question. It is conceded. If the dollar is low, it means our imports cost more and that we have to pay more for imported oil, foodstuffs and everything else.

As to its exact effect in statistical terms, calculations have been made, some of which have been given by the Minister of Finance. I do not know the exact effect in terms of the cost of

living index, but I do know that it means the inflation rate is higher.

The hon. member opposite argues that we should have a 90-cent dollar. How much would the cost of living go up if we had a 90-cent dollar instead of an 84-cent dollar? It is a calculation which the hon. member can make. But it is obvious, whether it be a 90-cent dollar, an 84-cent dollar, an 85-cent dollar or an 80-cent dollar, that the cost of living is higher because of the increased cost of things imported into Canada.

Mr. Stevens: Mr. Speaker, I would remind the Prime Minister that Sylvia Ostry, when she announced the formation of CSIP, stated that it was done at the request of the Prime Minister of Canada. The Prime Minister states that it is now conceded that there is a cost to the falling dollar, notwithstanding the fact that in December, 1978, his Minister of Finance told me, in reply to another question, that I should welcome the falling dollar.

My final question is again to the Prime Minister. As CSIP has now said that if workers and others demand income increases to match the high rate of inflation which depreciation has caused, still higher prices and more depreciation will result, what does the Prime Minister intend to do when he speaks to the workers of this country to justify the inflation which he has inflicted upon them as a result of his faulty fiscal monetary measures which have led to the fall of the dollar?

Mr. Trudeau: Mr. Speaker, I think it is quite obvious why the Leader of the Opposition has dropped the hon. member as his chief financial critic in his undertaking not to name him as his minister in a future government.

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ENERGY

SOURCES OF FUTURE OIL SUPPLIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I would ask the Minister of Energy, Mines and Resources if he could be more specific with regard to the replacement of 100,000 barrels to 125,000 barrels of oil which will be necessary due to the disruption of Iranian exports of oil to Canada.

With reference to the 100,000 barrels per day from Mexico, I understood the minister to say that this oil will not be available until the end of 1980, perhaps 1981 and I understood him to say today in reference to Venezuelan oil that there is none available at the moment. Finally, with respect to swaps of western oil for offshore oil, the minister said today that this will give us about 40,000 barrels per day in this quarter.

Would the minister tell the House where we will get the 100,000 barrels or 125,000 barrels of oil per day guarantee which is necessary to meet the needs of Canada, particularly Quebec and the maritime provinces, in the next eight or ten months when it will be very crucial? The minister has given us no clear indication of where that oil is to come from.

• (1450)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I have indicated that I expect most of the shortage to be made up by production in western Canada which will be moved through the exchanges to which I have already alluded.

The hon. member referred to 40,000 barrels a day. When we go into the second quarter, unless the situation is normalized in Iran and production starts up again, obviously we will be faced with large amounts. I believe that excess producing capacity in western Canada can look after that shortage up to as much as 100,000 barrels a day, if that is necessary.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, if the minister is going to count on exchange oil from the midwest, can he tell us, first of all, what are the available oil supplies which Canada has now? In Washington, Mr. Schlesinger has said the United States has 70 days' supply, but I think generally around the world there is an 80-day oil supply reserve.

What are Canada's supplies at the present time, and to what extent are we using up or drawing down these reserves of oil? If, as the minister suggests, we step up the production of western oil, how long will we be able to continue at that rate? Will it be long enough to meet Canadian requirements until Mexican oil is available in 1980 or the beginning of 1981?

Mr. Gillespie: Mr. Speaker, it is impossible to say at the present time whether it will be enough to make up the difference until 1980 or 1981. One cannot be sure of intervening events or whether production will be resumed in Iran. I believe that the shortages I have been referring to in eastern Canada as a result of these reallocations can be made up by western crude through the exchange route at least until the end of this year, and probably beyond that.

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CRIMINAL CODE

REQUEST FOR AMENDMENTS TO PROTECT CHILDREN FROM SEXUAL ABUSE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Minister of Justice. During the week the opposition agreed that Bill C-21, amending the Code, be divided so that a separate bill dealing with the new definition of "soliciting" in reference to prostitution and redefining "public place" to help the situation in Vancouver and Toronto, can be introduced. If that is a separate bill, it will have only one section and it will be a small bill.

In light of yesterday's decision by provincial court judge Sydney Harris in acquitting Pink Triangle Press, publishers of *The Body Politic* newspaper which published an article dealing with men loving boys, and vice-versa, and such further immoral and degrading conduct, and in light of the recent horrible death in Toronto of Emanuel Jaques who was used

prior to his death as a human machine by men, will the Minister of Justice consider bringing in amendments to the Criminal Code to protect young children against this kind of propaganda which may lead to the most degrading abuse of children, particularly as the minister has dealt with it in the same bill dealing with prostitution?

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, first of all, I would like to thank representatives of the opposition parties who have given their consent to divide Bill C-21 so that we can proceed speedily with the clause dealing with prostitution.

Some hon. Members: Hear, hear!

Mr. Lalonde: I will proceed as soon as possible to get the appropriate consent in this House.

As for the other problem which was raised by the hon. member, I know it is a serious problem which is of great concern to members of this House. I will certainly look into the issues he has raised. Obviously, I do not know whether the case decided by the provincial court judge will be appealed. This is a matter which the attorney general of Ontario will want to examine, I am sure.

Second, I believe hon. members have received various representations on the clause that is already in Bill C-21 which aims at strengthening the provisions dealing with obscenity. The government has decided to act on this matter pursuant to recommendations from a committee of this House. I would hope we could proceed not only with the clause on prostitution but with the rest of the bill if it is found that it is preferable to keep the obscenity clause in the first bill. I will take the hon. member's suggestion under very serious consideration and will advise him as to what can be done.

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CORPORATE AFFAIRS

POWER OF CSIP TO INSPECT BOOKS AND RECORDS OF CORPORATIONS

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister. I understand the Minister of Energy, Mines and Resources said earlier during this question period that he was going to ask CSIP to investigate any allegations of oil industry profiteering, but CSIP has said that it has access only to ordinary publicly available information, which is often incomplete and subject to revision.

Large companies were reported yesterday to be unwilling to co-operate with that agency in providing information to it voluntarily. Will the government now give this agency full powers under the Inquiries Act so that it can get full and timely information directly from companies, including the authority to inspect or compel production of their books and records where circumstances require it?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that question is not unlinked to the one I received from the hon. member for York-Simcoe. I reminded him that the government's intention in the post-control period was to set up a monitoring body which would have such powers.

It was at the federal-provincial conference of February last year that the provinces, practically unanimously, dissuaded the federal government from this approach and recommended that the Economic Council of Canada set up the Centre for the Study of Inflation and Productivity. We did that. This is all the action that has been taken to date. Any further contingency action such as that suggested by the hon. member for Windsor West is being studied by the government, but there has been no decision in that regard.

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CONSUMER AFFAIRS

FAULTY METERS ON HOME HEATING OIL TRUCKS—STEPS TO PROTECT CONSUMERS BEING OVERCHARGED

Mr. Rob Parker (Eglinton): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. I would draw the minister's attention to an article in the *Globe and Mail* for Tuesday, February 13, in which one of the minister's officials is quoted as reporting errors in meters on home heating oil fuel delivery trucks. The official is quoted as saying that over an eight-month period some 44.7 per cent of the meters checked were found to be in error. Thirteen per cent of those meters were rejected entirely.

In view of the fact that home heating oil is a $1.5 billion business in Canada, and in view of the fact that the percentage of error figures indicate that it is possible throughout this winter, which has given us some of the coldest temperatures on record, that the government could have been allowing a major consumer fraud to take place, would the minister reassure the House that massive overcharging or shortage of deliveries has not taken place? I understand that legislation is pending, but can he tell us when it will be brought in and what its provisions might be?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, the inspectors in our department are the ones who brought to light these possible frauds. We have the legislation in place now. We administer legislation which deals with that sort of thing and the inspectors are acting under that legislation. They will continue with their investigation and lay charges and pursue these matters in the courts.

* * *

EXTERNAL AFFAIRS

CLAIM OF FRANCE TO FISHERIES AND TERRITORIAL RIGHTS IN EASTERN CANADA

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Prime Minister. Yesterday, the Minister of External Affairs announced outside the House that an Atlan-

tic coast fisheries agreement had been reached with the United States concerning the east coast, while the boundary problem in the Gulf of Maine-Georges Bank area would be referred to a binding third party settlement procedure.

In light of the fact that the Prime Minister met recently with the Premier of France, and since there has been no recent announcement by the government concerning the ongoing fisheries boundary dispute which exists between Canada and France over France's claim to fisheries and territorial rights around the islands St. Pierre and Miquelon, will the Prime Minister tell the House whether this matter was discussed with Premier Barre and, if so, what was the result of this discussion?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it was not discussed by me. I do not think it was discussed by other people. I had an update on it, and I understand that negotiations are still in progress. Our position, which is naturally of advantage to Canadians, is still being disputed by France—but we are pursuing it.

* * *

PARLIAMENT HILL

REQUEST THAT PICKETER BE GRANTED AUDIENCE WITH PRIME MINISTER

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a very brief question for the Prime Minister, who by this time is aware of the presence of Mrs. Lucille Dubé. She has been waiting outside the parliament buildings for the past few months in an attempt to bring a grievance to the Prime Minister which she feels merits attention.

● (1500)

Can the right hon. member give an undertaking that he will take a moment to speak to this lady whose persistence has aroused a certain amount of interest and sympathy on all sides of the House.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, Mrs. Dubé's case is well known to the government. I inquired about her presence and I had a few people speak to her on my behalf. She has a case which has been before the Quebec courts for quite some time. I asked advice of the Department of Justice. It seems to be a clear case where she has a complaint. It should be made in the normal way, through lawyers in front of the courts.

As far as her allegations about the conduct of judges is concerned, this was looked into at the request of the chief justice of the province of Quebec. Apparently the report is that there was no miscarriage of justice or misconduct of any judge in this particular case. Therefore, I am afraid that we are in the presence of a litigant who has lost in front of the courts and who is not prepared to take that loss. If she wants to study further recourse, the legal processes are there and she can hire lawyers to do so.

* * *

HEALTH

LEAKAGE FROM CONFIDENTIAL MEDICAL FILES—MINISTER'S POSITION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. Since the uncovering of the leakage from confidential files on patients in the medical department at Medical Insurance and Medical Records, the finding of medical records blowing off trucks and being strewn along the roads, or information relayed along telephone wires by shady individuals purporting to represent medical personnel, can the minister state what progress on control has been made?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, the problem described by the hon. member generally applies to provincially administered health programs. However, we all share a concern over the leaks of medical information that have occurred in past months. What I can report is that a code of practice for safeguarding health information was adopted in September, a few months ago, by the Canadian Health Records Association. That code has been distributed to insurance companies, all levels of government and every party that has an involvement in health records.

As far as the province of Ontario is concerned, there is the royal commission studying the confidentiality of health records, the report of which we will all read. Justice Horace Krever is chairing it. As far as may own department is concerned and the medical records we have due to delivery of direct health services, I am not aware of any loopholes in our system. If there is any case that the hon. member knows of, I would like to hear from him.

Mr. Speaker: Order, please. I have two notices pertaining to questions of privilege. One is from the Minister of National Defence (Mr. Danson) with respect to a point raised yesterday by the hon. member for Victoria (Mr. McKinnon). I have a notice, as well, from the hon. member for St. John's West (Mr. Crosbie).

* * *

PRIVILEGE

MR. McKINNON—VARIANCE IN ANSWERS TO QUESTIONS—STATEMENT BY MINISTER

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, in replying to the question of privilege raised by the hon. member for Victoria (Mr. McKinnon), who unfortunately is not in his seat today, I am sure with good reason—

Some hon. Members: Oh, oh!

Mr. Danson: I did suggest for a good reason. I do not think it does credit to members opposite even to imply there is anything other than good thought behind that. Members of parliament frequently have good reason for being absent, and I am sure the hon. member does today. However, I did promise the House leader of the official opposition that I would have an answer today. Otherwise I would wait until the hon. member was back either from a committee meeting, some very important work in a department or his constituency, all of which members of parliament should do. As is my commitment to the House leader of the opposition, I am making my response to this question of privilege or alleged question of privilege which was raised yesterday by the hon. member for Victoria.

I have had an opportunity to review the various references which he cited. It appears that the hon. member for Victoria has either misunderstood or misinterpreted the actual facts. For the benefit of the hon. member when he reads this in *Hansard*, and for the benefit of other hon. members since it was suggested that the privileges of all members of the House were involved, I would like to review the sequence of events which he reviewed in such great detail yesterday.

First, the competitors for the new fighter aircraft were required to submit their initial bids by February 1, 1978. That was done. However, while the evaluation process was under way, representations were received to provide additional time so that they could refine their original bids. The indication was that they would improve their original offers. Indeed, hon. members will recall that there were some unsolicited proposals at that time on this very important contract.

I felt it was unfair to allow some to submit proposals and not give everyone the same opportunity. As a result of that and a cabinet decision of June 29, 1978, it was agreed to grant a period up to August 1, 1978 during which time competitors would have the opportunity to resubmit their proposals. This was deemed an acceptable time-frame for all competitors. All proposals were received by August 1 and no extension of time was requested or granted after that period.

The new proposals were evaluated by the government team and on November 23, 1978, cabinet reached a decision on the short list and I subsequently made a statement on motions before this House announcing that decision. The hon. member raised the question of Chancellor Schmidt raising this with the Prime Minister (Mr. Trudeau). Indeed, it was done.

I think it is the sequence of events, the dates, which has confused the hon. member. The meeting between the Prime Minister and Chancellor Schmidt was in early July when it was requested that the period be extended. There had already been an agreement to extend that period. There was no request or agreement to extend it beyond August 1.

Everything has been on schedule since then. Therefore, I do not see how the hon. member could feel that he had been misled. Indeed, if there is reason for a question of privilege, I need only refer to the hon. member's question of privilege where he used the terms "falsehood" and "untruthful replies", which while they are not the same as the four letter words that are unparliamentary, have equally the same intent. However, I do not intend to raise a question of privilege on something like that.

I believe that when the hon. member returns and sees the sequence of events, he will realize that everything has been in order and that there was a misunderstanding of the dates involved and the sequence of events. However, it grieves me that words such as this can be used for a misunderstanding and the time of the House taken up by a question of privilege requiring a lengthy reply.

I wish further to point out that at the time of answering the hon. member's question I said, and I quote from *Hansard* of November 7, 1978, at page 867:

I expect to have this matter before cabinet this month, hopefully with a decision on the short list before the end of the month or early in December.

We more than met that deadline. I completed my response by saying there has been some slippage because of the length of time it takes to evaluate these new proposals. I think that was a misunderstanding. I said:

—I am looking forward to the final contracts being negotiated and the final choice being made in the new year, but not before late spring of the new year.

We are in the new year, but not yet into late spring. I stand by that. It will not be before late spring.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I appreciate the remarks of the Minister of National Defence (Mr. Danson) with regard to the question of privilege of the hon. member for Victoria (Mr. McKinnon). I am sure the hon. member for Victoria will want to examine the matter and the remarks that have been made by the minister. In the absence of the hon. member, it might be appropriate to have this question kept open so that the statement of the minister can be examined by that hon. member. I wonder if I might reserve the rights of the hon. member for Victoria and other members of the House with regard to this whole matter.

● (1510)

Mr. Speaker: I am prepared to do so, of course; I do not think I should make a final determination of this matter in the absence of the hon. member. This is a simple courtesy we have always accorded and I have no difficulty in extending it in this case.

I would, however, stress the problem we get into when complaints of this kind are raised; that is, when there is some dispute with respect to replies which have been given. This is a political forum and a legitimate area, but it has been a long standing practice that answers given and statements made in the House of Commons are accepted by members. We therefore get on to dangerous ground when attempting to indicate that an answer has been inaccurate, misleading or false, things of that sort. And when the words "false" or "dishonest" and similar words are used, we enter into another procedural problem because these are unparliamentary terms. While I will reserve the complaint of the hon. member for Victoria (Mr. McKinnon) until he is back in the House, I think I should point out that we must be very careful when entering into matters of this sort that we do so with great caution from

a procedural point of view. I say this because although at the outset the issue may simply be one of disagreement, if terms of this kind are used it could expand into other fields of privilege; for example, the use of unparliamentary language. That is a cautionary note I wish to enter now.

The hon. member for St. John's West (Mr. Crosbie) has given me notice of his intention to raise a particular matter.

MR. CROSBIE—TELEVISION INDUSTRY—ALLEGED FALSEHOOD IN REPLY OF MINISTER OF INDUSTRY, TRADE AND COMMERCE

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise on a matter which I believe to be a breach of the privileges of members of this House. In answer to an oral question I put to the Minister of Industry, Trade and Commerce (Mr. Horner) on Tuesday, February 13, the hon. gentleman gave an answer which, as far as I can see, was false. For a member of the government to give a member of the House false information is certainly an interference with his privileges as a member in his attempt to do his duty. I may say, Mr. Speaker, that I have listened to the words Your Honour has just spoken. This is the first opportunity I have had to raise the matter having regard to the necessary research involved. Although I knew on Tuesday afternoon that something was wrong about the minister's answer, it was not until this morning that I was able to contact the industry concerned and find out for sure that the information was not accurate.

I asked the minister a question about colour television sets manufactured in Canada in December. I pointed out that there was a decline of 81 per cent in December, 1978 as compared with December a year earlier. I also said that on a year to year basis sales of Canadian made colour television sets were down by 114 per cent. I asked the minister, in view of the fact that the Canadian TV manufacturing industry was disappearing, whether the government had any program to assist the industry during the present year. I asked him what action does the government intend to take. In his answer the minister mentioned the pleasure it gave him to place on the record that his department, under the enterprise development program, had specifically helped one of the major television manufacturers in Canada, namely Electrohome, and helped to put that company back on its feet.

In fact, Electrohome is not manufacturing television sets, Mr. Speaker, but I will come back to that. The minister continued:

> —we were out of production of colour television sets for some time, but now Electrohome has gone into production because of the advantages due to the present value of the Canadian dollar. We are now enlarging our production of colour television sets.

He added that the increased production should show up in the statistics for 1979.

We contacted Electrohome in this connection. The fact is that there is only one company in Canada which manufactures colour television sets. There were 11 in 1973 but there is now only one significant producer, RCA. Electrohome does not produce, does not manufacture, any television sets in Canada.

[Mr. Speaker.]

In December, 1978 Electrohome received a $15 million loan from the Royal Bank under the enterprise development board arrangements and it was not for the purpose of putting them into the position to produce television sets or manufacture them. There was no such connection. This assistance was given because Electrohome was seeking to reorganize due to the collapse of the consumer electronics market, TV manufacturing and the like, which was precipitated by the government's tariff policy and what is alleged to be foreign dumping. Electrohome had to get out of the business of manufacturing TV sets in Canada because of what they allege to be the failure of government policy. They then got a loan from the government to go into other activities. That is what the loan was for, not to manufacture television sets. The fact is that they are not now manufacturing television sets. Because of the devaluation of the dollar in July they plan to begin assembling 28-inch colour TV sets in Canada. They will not manufacture them and they are not manufacturing them now.

The minister laughs. The minister is careless with the truth. He is grossly negligent about the answers he gives in the House and now he chooses to laugh. The minister is asinine. We cannot trust a word he says in the House, Mr. Speaker. He says he has helped one of the major television manufacturers in Canada, namely Electrohome. He says we were out of production of colour television sets but now Electrohome has gone into production. He says we are not producing television sets. He says we are now enlarging our production. Every one of those statements is false. Yet the minister thinks it is amusing that he should get up in the House and give us information which is inaccurate, which is false. I submit—

Mr. Speaker: Order. With respect, the hon. member has now made an allegation of falsehood against a minister and has used an unparliamentary term. If he wishes to make an allegation that the minister has deliberately misled the House, he will have to stand by that allegation and make it specific so that a charge can be identified and take its proper course. If not, the allegation that the minister has said something false to the House is unparliamentary and the hon. member cannot be permitted to use that term.

Mr. Crosbie: On that point, Mr. Speaker, as I understand it, Beauchesne at pages 110-112 says that since 1958 it has been parliamentary to use the expressions "false" and "falsehood". These have now been found to be parliamentary. If Your Honour says they are not parliamentary expressions I can only say that in my view the minister has given the House false information. Whether he is grossly negligent in what he says or whether he did it deliberately is not for me to say. The minister will have to explain whether he is just careless with the truth or whether he was deliberately misleading the House. I do not know. After I have heard his explanation I presume I will have to accept it, but I say a blatant falsehood was expressed in this House on Tuesday.

Some hon. Members: Withdraw!

Mr. Crosbie: I certainly state that. The minister was careless with the truth. It is my submission that it constitutes a violation of the privilege of members of the House to be given this kind of false information when a question is answered.

If Your Honour should find there is a prima facie case, I would be prepared to move that the reply by the Minister of Industry, Trade and Commerce to the question asked by the hon. member for St. John's West, recorded in *Hansard* on February 13 at page 3162 and containing assertions demonstrably at variance with the facts, be referred to the Standing Committee on Privileges and Elections for investigation and report. I do not think we should be subject to these misleading and slipshod answers, even if they are not worse than that. The minister will have to say—

Mr. Speaker: Order. I would draw again to the hon. member's attention the passage in Beauchesne to which he has referred. At page 105 of the excellent fifth edition, of which the Clerk of the House is co-editor, it says at the middle of the page:

● (1520)

Since 1958, it has been ruled unparliamentary to use the following expressions:

Then follows the term to which the hon. member referred. Therefore, I take it as withdrawn by him the use of the word "false", and I again caution the House that these are the kinds of dangers we get into. However, the minister is anxious to reply.

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, let us examine what is happening in the House. If members of parliament expect detailed answers to specific problems, the long standing practice has been to put them in writing on the order paper. Ministers have then taken the questions to their departments and obtained detailed answers. Many hon. members do that, but ministers should not be expected to have details at their fingertips all the time. That is quite impossible.

My answer to the hon. member is that we are helping many companies. We helped one specifically. One could have questions as to the words "manufacture" and "assemble". What is the difference? Manufacturers make component parts. An assembly plant takes component parts, whether they are made at that plant or somewhere else, and puts them into an automobile, television set or whatever. Granted, by narrow definition there is a difference between those words, but thousands of assembly plants are also manufacturing plants, and that is the interpretation I used with regard to Electrohome.

Today the hon. member admitted that the enterprise development program did help the one named company substantially. I do not think that the company will deny that. The hon. member did say today that the company is going into the business of assembling colour television sets. I said that that company is now going into the business of manufacturing colour television sets. I do not think there are many manufacturing companies which do not reach out and obtain parts from other sources and assemble them in their own plants. The only misleading must be with regard to the difference between "assembling" and "manufacturing", and I say again that thousands of manufacturers are in a sense assemblers as well.

If the hon. member wants me to define every manufacturing plant as just an assembly plant, I do not think that is really the essence of the question. The question is whether my department helped a manufacturing plant or an assembly plant in going into the television business. Is that company going to go into the business of manufacturing or assembling colour television sets? Yes, it is, and the hon. member admits it is; so I do not know what his argument is.

Mr. Speaker: Order, please. I think the last sentence of the minister's procedurally concludes the matter. This is in fact an argument, as almost all these cases come to eventually, an argument or disagreement. Occasionally they do result in a discovery that somehow misleading information is given to the House, and invariably when that is done the person who is responsible indicates that it was not done deliberately and gives an explanation. That is almost the invariable result.

However, I do again caution the House that taking issue in this way with answers or making argument or refutation and getting into accusations of falsehood, deliberate misleading or dishonesty in some way raises a much more serious procedural problem than it attempts to solve. I think we have to be very careful about that.

Mr. Horner: Mr. Speaker, I rise on a question of privilege. For my sake and for the sake of the House I want to have something cleared up. In his ranting, raving and clown-like manner, the hon. member for St. John's West (Mr. Crosbie) used the expression "deliberate falsehood". I think quite correctly Your Honour stated that the use of the word "false" is unparliamentary and quoted the most recent edition of Beauchesne. Am I correct in believing that the hon. member did use those words, that you, sir, asked him to withdraw them, but that he has not withdrawn them as yet?

Mr. Speaker: For the sake of the record—and I trust the hon. member for St. John's West will agree with this—let me point out that he indicated he had used those words after consultation with one of the editions of Beauchesne where he had seen a reference, as I am sure all hon. members have, that, typical of any word, depending on the context in which it is used, it is found to be parliamentary. So there are some precedents which lead one to the interpretation that the word has been used in a parliamentary context in the past.

On the other hand, I corrected him and said that the use of the phrase "deliberate falsehood" or "false statement" in the context in which he used it came under another set of precedents in the same volume and that it was therefore unparliamentary.

I understood the hon. member's position to be that if he was mistaken in his view of the precedents, he would withdraw that

expression. I took that to mean that the use of that language has been withdrawn by the hon. member.

Mr. Crosbie: I do not mind saying that if I said that the minister uttered a deliberate falsehood, I would withdraw that. The minister is completely careless as to whether he tells the truth or not, but I do not say it is a deliberate falsehood.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I wonder if I could direct a question to the Deputy Prime Minister (Mr. MacEachen), with respect to the business we will be dealing with for the balance of today and tomorrow and perhaps next week. It might be helpful to the House if the Deputy Prime Minister could indicate to us what he intends to call and what are the major priorities of the government in terms of legislation between now and, let us say, the Easter adjournment. Would the minister be prepared to do that?

Mr. MacEachen: Mr. Speaker, as hon. members know, the House will continue today with debate on the budget bill. Tomorrow I would like to call a number of items. Following consultations which I have had with representatives of the various parties today, I understand that it will be possible to deal tomorrow with a number of important items not requiring extended discussion, beginning with the second reading of Bill C-28 dealing with the Northwest Territories Act and Bill C-35 dealing with government organization and relating to the proposed department of fisheries and oceans.

We want also to deal with Bill C-17 relating to dangerous goods and, finally, with a reference to a committee with respect to nuclear waste. On Monday, I would like to continue with discussion on the budget bill and on Tuesday and Wednesday the bill in the name of minister of urban affairs, Bill C-29. Thursday will be an allotted day, if that is agreeable to hon. members opposite.

I would be prepared to attempt next week to project beyond this particular batch of bills. With reference to the budget bill I should mention that I also have in mind the other bill emanating from the budget dealing with the Excise Tax Act. When consideration of this batch is completed or when there is a prospect that we can complete dealing with this batch in the House, I will be able to indicate what we will try to do between then and the Easter recess.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I understand that a representation has been made by the Parliamentary Secretary to the President of the Treasury Board (Mr. Lefebvre), that estimates would be tabled in the House on Monday.

While I am on my feet, let me indicate to the Deputy Prime Minister that consultations have taken place with respect to the reference regarding nuclear waste, and we are prepared to allow that to go without debate, so I assume we will be making the appropriate reference tomorrow.

[Mr. Speaker.]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if I may refer first to the last item mentioned by the hon. member for Grenville-Carleton (Mr. Baker), we too are prepared to deal with the motion regarding the reference to a committee of matters relating to nuclear waste and we are prepared to do so without debate. As a matter of fact, we see no reason why that might not be dealt with today.

We have noted the other matters and are in general agreement as to the calling of the items. Of course, their disposition could be another matter.

There is one particular question I should like to put to the minister. It will not surprise him because I have put it to him a good many times. On Monday when I asked the Minister of Veterans Affairs (Mr. MacDonald) about the possibility of something being done with respect to one or two outstanding items affecting veterans, the Minister of Veterans Affairs said, as it is recorded at page 3110 of *Hansard*:

> —they are all under consideration and if anything can be done within the time he has mentioned, we will be more than glad to do it.

The time I had mentioned was the time between now and the end of this parliament. I ask the Deputy Prime Minister (Mr. MacEachen) to find a way to bring an end to this business of my going to him and then to the Minister of Veterans Affairs and then back to him. Can the Deputy Prime Minister not get an agreement to provide time to the Minister of Veterans Affairs in this session so that at least one of these measures can be brought forward?

● (1530)

I just hope the government House leader will answer my question about veterans affairs.

An hon. Member: Truthfully.

Mr. MacEachen: Yes, Mr. Speaker, I will attempt to prolong the session in the manner indicated by the hon. member. I agree fully with the comments that were made by my colleague, the Minister of Veterans Affairs (Mr. MacDonald).

Mr. Knowles (Winnipeg North Centre): Does that mean we will get some legislation?

Mr. Kaplan: Mr. Speaker, the government House leader made no reference to the bill dealing with international economic boycotts. I want to ask him, following an answer he recently gave in the House to a question of mine, whether in fact any progress is being made in putting that bill forward and whether any kind of agreements have been sought or worked out for the second reading of that bill.

Mr. MacEachen: Mr. Speaker, in reply to the question asked earlier by the hon. member for Grenville-Carleton on the tabling of the estimates, let me say that I understand the President of the Treasury Board (Mr. Buchanan) proposes to table the estimates on Monday. He mentioned that to me and

asked whether I thought it would be possible, and I have no objection. So my friend can take it for granted that the estimates will be tabled on Monday, unless I advise him to the contrary today or tomorrow.

With respect to the question dealing with the legislation on the Arab boycott, I have not had an opportunity today to deal with it with the representatives of the other parties, but I will undertake to raise the matter at an early date with representatives of the various parties and if there is an indication that we can pass the legislation within a reasonable time, say, a sitting day, I will be glad to bring forward the legislation at an early date. Under those circumstances I would consider bringing it forward. I have had discussions with respect to the items I have announced today, and I cannot make any commitments about the Arab boycott legislation until I confer with my colleagues of the other parties, which I will do under the conditions I have mentioned.

Mr. Andre: I would like to ask the government House leader a question with regard to the estimates. Could he confirm that the usual practice, the practice of the recent past, whereby the President of the Treasury Board (Mr. Buchanan) makes a statement on motions followed by responses from opposition members, will be the situation that will pertain on Monday?

Mr. MacEachen: I do not know what the President of the Treasury Board has in mind, but I will make sure that the hon. member's representations are drawn to the attention of the President of the Treasury Board.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I apologize to the Deputy Prime Minister but there is one point I should like to raise with respect to Bill C-35. There have been some discussions in the House that possibly part of that bill might be referred to the Standing Committee on Fisheries and Forestry. If that is agreeable to the government, we would agree to have Bill C-35 referred to that standing committee which could deal with the bulk of the subject matter quite appropriately.

While I am on my feet, may I ask the Deputy Prime Minister whether it is the intention of the government to make a reference of the commodity tax. It has been hanging around for some time and I have asked the question many times before. I think there is some concern that the matter be dealt with in the House.

Mr. MacEachen: Mr. Speaker, on the reference with respect to the commodity tax, I know the matter has been raised in the past.

Mr. Baker (Grenville-Carleton): A commitment.

Mr. MacEachen: I recollect that the action with respect to that has been delayed because the committee has been so well occupied—

Some hon. Members: No.

Mr. MacEachen: —but I will look into the matter and see whether the committee can deal with it.

I am quite prepared to seek consent of the House, at second reading of the bill relating to government organization, to have it sent to the Standing Committee on Fisheries and Forestry. It is quite agreeable to me and to the government but it would require the agreement of the House at that time, and I hope we can do that tomorrow.

Mr. Knowles (Winnipeg North Centre): Could we not give that agreement now?

Mr. MacEachen: Yes, I would be prepared to ask for agreement that when we give second reading to the bill on government organization tomorrow, it be sent to the Standing Committee on Fisheries and Forestry.

Some hon. Members: Agreed.

Mr. Epp: Mr. Speaker, my question is for the President of the Privy Council (Mr. MacEachen). It concerns questions asked today by the hon. member for Calgary North (Mr. Woolliams) with regard to Bill C-21 and the response by the Minister of Justice (Mr. Lalonde) about splitting the bill, and the definition of obscenity, specifically in terms of clause 20 which makes amendments to section 166 of the Criminal Code. It flows out of a private member's bill in my name which has been discussed. At that time several spokesmen said there would be agreement by the government to that bill but that it would be incorporated in the omnibus Bill C-21. In view of the commitment given by the Minister of Justice today, can the President of the Privy Council give us any word on that?

Mr. MacEachen: Mr. Speaker, I will have to make some inquiries and get further information on that. I understood the Minister of Justice (Mr. Lalonde) today to have agreed to the possibility of splitting that bill and putting one particular provision into a separate bill so that it might be dealt with more rapidly. I gather the hon. member is now asking whether an additional item could be put in that bill rather than in the over-all bill. I will raise the matter with the Minister of Justice.

[*Translation*]

BILL C-35—REFERENCE TO STANDING COMMITTEE ON FISHERIES AND FORESTRY

Mr. Pinard: Mr. Speaker, I rise on a point of order. First may I ask whether you have sought the unanimous consent of the House to have Bill C-35 referred to the Standing Committee on Fisheries and Forestry, as suggested by the Deputy Prime Minister?

[*English*]

Mr. Speaker: I did not understand that. I understood the Deputy Prime Minister to have indicated that he would ask for that consent when the bill is given second reading tomorrow. Does the House wish to pass that order now? Is consent being sought now?

Order Paper Questions

Some hon. Members: Agreed.

Mr. Speaker: Does the House wish to give consent to a motion now being put amending the reference of the bill on government reorganization so that Bill C-35 be sent, following second reading, to the Standing Committee on Fisheries and Forestry?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 340, 697, 744, 833, 896 and 955.

[*Text*]

POTASH UTILIZATION SEMINAR—CHINA

Question No. 340—**Mr. Hnatyshyn:**

1. With reference to the official exchanges between Canada and China in 1977 mentioned in the annual review of the Department of External Affairs, on what date did the Canadian Potash-Utilization Seminar take place and (a) who were the participants and audience (b) what was the content of the program?

2. Did the Department of External Affairs offer similar seminars in other countries with the goal of improving the market for potash?

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): I am informed by the Departments of External Affairs and Industry, Trade and Commerce as follows: 1. The Canadian seminar on potash utilization, which was conducted as part of the ongoing trade mission program sponsored by ITC, also included discussions on dry-land farming techniques. These took place from May 4-20, 1977 during visits to Peking, Nanking, Shanghai and Kwangchow.

(a) The Canadian participants were led by an official of ITC, and included two representatives of the Potash Institute of Canada, a representative from the potash industry and one agricultural expert from each of the University of Saskatchewan and the Saskatchewan department of agriculture. The audience consisted of technical officials, principally from the Chinese ministry of agriculture and forestry, the academy of science and various agricultural scientific institutes.

(b) The program covered two main areas of discussion.

(i) potash utilization—including factors influencing potash requirements, responses to potash in various soils and crops, application rates and methods and experiences in other countries.

(ii) dry-land farming—including techniques of soil management and water conservation, tilling and seeding practices and cropping and weed control systems.

2. There were no similar seminars on potash offered in other countries.

FISHING VESSEL INSURANCE PROGRAM

Question No. 697—**Mr. Forrestall:**

1. Is the government currently negotiating an arrangement with Fisherman's Mutual for the transfer to the private sector of fishing vessel insurance and (a) if so, what are the terms of the arrangement (b) if not, how does the government intend to proceed with the transfer to private underwriters?

2. How many of those currently employed in the Fishing Vessel Insurance Programme will be laid-off or dismissed as a result of the transfer to private underwriters?

Mr. Jack Pearsall (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. The government is currently examining the possibility of establishing a fishermen's mutual or mutuals to replace the Fishing Vessel Insurance Program (the F.V.I.P.). This examination involved consultation with fishermen and their organizations to solicit their support for the mutual or mutuals which could provide them with greater benefits than the F.V.I.P. In the event that the establishment of a mutual or mutuals is not feasible the government is prepared to retain the F.V.I.P. and does not intend to transfer it to private underwriters unless the fishermen or their organizations indicate this as their preference.

2. The F.V.I.P. will continue in existence and provide services to fishermen until such time that a mutual or mutuals could be operational. This should take at least a year. As a result, there will be no lay-offs or dismissal of personnel from the F.V.I.P. during this period.

DREE—HIGHWAY CONSTRUCTION—N.B.

Question No. 744—**Mr. Howie:**

In the fiscal year ended March 31, 1978, what amount was expended by DREE for highway construction in New Brunswick and in what locations?

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows:

I. Under the Highways Subsidiary Agreement 1976-77 (amounts paid in fiscal year 1977-78)

Project		DREE Expenditures	Total
1.	Campbellton-Dalhousie Bypass	$ 107,925	
2.	Belledune to Bathurst (Route 11)	4,923	
3.	Chatham to Bathurst	186,745	
4.	Rexton to Moncton (Route 11)	197,697	
5.	Bathurst to Chatham (Coastal Route 11)	183,504	
6.	St. Leonard to St. Quentin (Route 17)	24,985	
7.	Plaster Rock-Renous (Route 106)	Nil	$705,779

II. Under the Highways Subsidiary Agreement 1977-80 (amounts paid in fiscal year 1977-78)

Project	DREE Expenditures	Total
1. Campbellton-Dalhousie Bypass (Rte. 11) (From Eel River to Charlo)	$ 876,920	
2. Belledune to Bathurst (Rte. 11) (From Belledune to Beresford)	1,605,491	
3. Chatham to St-Margaret's (Rte. 11)	1,812,388	
4. Rexton to Shediac (Rte. 11) (From Rexton to McKees Mills)	1,900,120	
5. Coastal Route 11—Chatham to Bathurst (Upgrading sections of Coastal Rte. 11, including the construction of various bridges)	2,730,065	
6. Central Peninsula Access Road (Rte. 360 and Rte. 135) (Upgrading sections of Rtes. 360 and 135 between Allardville and Losier Settlement)	Nil	
7. Carryover Projects from 76/77 Highways Subsidiary Agreement (for Tabusintac River Bridge; Beaver Brook to Mud Brook—Highway 17; Trans Canada Highway Airport Access Road)	504,233	
8. Other Northeast Access Roads (Rte. 8 and Rte. 17) (Upgrading sections of Rte. 8 between Doaktown and Blackville; upgrading of Rte. 17 Upsalquitch Hill towards Kedgwick, Jardine Brook and Mud Brook areas)	1,385,783	$10,815,000

III. Under the Saint John-Moncton Arterial Highways Subsidiary Agreement (amounts paid in fiscal year 1977-78)

Project	DREE Expenditures	Total
1. Saint John Throughway	$4,039,959	
2. Wheeler Boulevard and Shediac Highway	2,238,499	$ 6,278,458
Total Expenditures		$17,799,237

ENVIRONMENT—PROJECTS IN RICHMOND

Question No. 833—**Mr. Beaudoin:**

1. Since 1968, did the Department of the Environment finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. Len Marchand (Minister of State (Environment)): 1. No.

2. No.

DREE—N.B.—SMALL INDUSTRIES FINANCIAL ASSISTANCE PROGRAM

Question No. 896—**Mr. Howie:**

For the fiscal year ended March 31, 1978, what amount was paid in assistance under the DREE-New Brunswick agreement under the Small Industries Financial Assistance Programme?

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: In the fiscal year 1977-78, a total amount of $1,327,482 was paid under the Small Industries Financial Assistance Program in New Brunswick. DREE's share was $1,041,400.

CANADA GAMES COMMEMORATIVE BOOK

Question No. 955—**Mr. McKenzie:**

1. What was the cost of (a) printing (b) distributing, including postage, the invitation from the Minister of State (Fitness and Amateur Sport) to the introduction of the Canada Games Commemorative Book and the unveiling of a commemorative plaque in Winnipeg, on February 2, 1979 at the Fort Garry Hotel?

2. How many copies were (a) printed (b) distributed?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): In so far as the Minister of State (Fitness and Amateur Sport) is concerned: 1. (a) $300. (b) $50.

2. (a) 120. (b) 102.

[*English*]

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

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Wednesday, February 14, consideration of the motion of Mr. Chrétien that Bill C-37, to amend the statute law relating to income tax, to amend the Canada Pension Plan and to provide other authority for the raising of funds, be read the second time and referred to Committee of the Whole.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, yesterday we had a speech of about 50 minutes in length from

the Minister of Finance (Mr. Chrétien) introducing this bill at second reading. I have now had the opportunity to re-read it. Unfortunately it confirmed my original assessment of the speech. It was more of self-congratulation to the government than one of explanation. The purpose of the complex tax bill and many of its technical amendments should have been explained. There are some improvements in certain areas, and there are features which I should like to discuss in some detail.

● (1540)

I wish the Minister of Finance were in his seat. I intervened when the Chair was about to cut the minister short as he was discussing the dollar situation. I felt there was plenty of scope for that under clause 70 of Bill C-37. Rather than dealing with the particular problem, the minister went off on a scurrilous diatribe with a ragtag of political jibes. The minister attempted to justify his position by taking a shot here and there. It did nothing to advance the study of the bill. I would have thought the minister would welcome the opportunity to deal with clause 70 since it is one of the principal portions of the bill. It has nothing to do with income tax but is a procedure whereby the borrowing authority is tagged on to a bill. It is a procedure which is quite acceptable.

Last year the government tripped itself up over its own ineptitude in attempting to increase a borrowing authority in an appropriation bill under a one dollar item or some similar procedure. Of course, the Chair rejected it. Last November the government had to introduce a borrowing authority bill in which it sought authority to increase its borrowing capacity by $7 billion. Approximately four months later the government is back saying, "We have to borrow another $10 billion."

This will cause considerable discussion in the House. The hon. member for York-Simcoe (Mr. Stevens) attempted to elicit a good deal of information from the Minister of Finance, and this morning we ran into a stone wall on this particular point. While we received some information to the effect that presently there is outstanding some $2 billion worth of borrowing authority under legislation which expires on March 31, 1979, there will be a further $3.8 billion worth of authority which will be valid under previous legislation. With the $7 billion sought in this bill for the fiscal year 1979-1980, there will be authority for approximately $13.8 billion. Why is this money needed?

If one looks at clause 70 of the bill, it indicates that the moneys will be required for public works and general purposes. Let us look at what may come in under public works and general purposes. Most if it will be there in case the government wants to go to the rescue of the dollar. In the past year some $5 billion has been borrowed in the foreign market. Under clause 70 the borrowings may be in foreign currencies and at various interest rates. As well they may be repayable in foreign currencies, but the loans are strictly for the purposes of the exchange fund, to maintain the Canadian dollar as a so-called floating dollar. Of course, this is a complete misnomer; it is a misrepresentation. It is not even a dirty float; it is a supported dollar. When one gets into the market to the extent of $5 billion, there is no question that it is an active support and that the government is utilizing, in a rather vain effort to maintain the level of the Canadian dollar, whatever tools are available in a monetary sense.

The government does not have courage.

I want the Parliamentary Secretary to the Minister of Finance (Mr. Martin) to take note of that. On the eve of an election, the Minister of Finance and this administration does not have the moral courage to tell Canadians that it will have to engage in other measures of a fiscal nature. The available choices are being discussed with the governor of the Bank of Canada, yet none of them are palatable. Goodness gracious, they will be a heck of a lot more palatable than for Canadians to see the Canadian dollar go down below 83 cents, and perhaps it will go down to 79 cents. This is not doom and gloom.

I heard all the Liberal speeches in 1962 when the dollar was going down from 95 cents to 92.5 cents. Let me assure the House that they got the wind up in the Canadian public at that time on a staged and spurious situation. This time the situation is of their own creation because of their inability to maintain confidence in the Canadian dollar. The fact the dollar is down to 83.5 cents is merely a measure of the lack of confidence in the international market and on the part of Canadians themselves.

Mr. Breau: Nonsense!

Mr. Lambert (Edmonton West): The hon. member for Gloucester (Mr. Breau) would not know where to invest a $10 bill in the foreign money market. Why is it that Canadians since 1973 have been spending on a capital basis up to $700 million more in foreign markets than foreign moneys are being invested in Canada for capital purposes? Why is it that Canadian corporations are investing in the United States, buying buildings, building skyscrapers and shopping plazas?

Mr. Breau: Because they are businessmen.

Mr. Lambert (Edmonton West): Precisely. They are businessmen and they know they will receive a better rate of return in the United States. The tax on corporate profits in the United States is lower; their return is much quicker; the businessmen do not have to wait around for endless periods, as they do in Canada, attempting to get regulations passed by this board, this bureaucrat, this provincial or municipal office. It is a crazy situation which we have.

All hon. members opposite refuse to recognize the bottom line of the deficit in the current account of close to $5 billion. Perhaps there will be a commodity surplus this year, and perhaps there was one last year; but when there are service charges, dividends, travel accounts and a negative flow of capital, then there is a current account deficit. There is no pushing beyond that line. The Canadian government has to cover this deficit by borrowing abroad. It has actually reached the point now that it has to borrow to pay the interest on its loans abroad. This is the position of a bankrupt, and this is

what we are being asked to accept in clause 70. This is fully within the subject matter of this bill.

● (1550)

The minister did not say yesterday or this morning before the committee what he intends to do. He must come clean and be honest with the Canadian people. Mind you, to ask the minister in his present frame of mind to be honest with the Canadian people is perhaps asking too much and reaching too far. After all, we are on the eve of an election and these are the unsavoury details members on the government side would like to sweep under the rug. These are the unsavoury things that have accumulated over the past years as a result of this government's financial maladministration. This is the sort of thing that members on that side are trying to convince the Canadian people does not exist. They want to wave flags in our faces. As someone has said, try going to your banker with a flag in your hand to see how far you get. That is precisely what the Canadian public is being invited to do by this present administration.

Bonus issues are being blown entirely out of proportion. Let us look at this form from the point of view of taxation levels in this country, from the point of view of the value of the Canadian dollar, the degree of inflation and the level of unemployment. Let us see what progress there has been over the past four and a half years in this regard. Everything has gone up; unemployment has gone up from 5.1 per cent to 8.1 per cent, inflation has gone up, and now the rate of inflation is increasing. The hon. member for York Centre (Mr. Kaplan) should know that as the value of the Canadian dollar goes down the rate of inflation will increase. This is a fact because about 70 per cent of our imports come from the United States. We all know that it will be difficult to turn our economy around, but this fact is being played down. All these things have occurred since 1963, and those on the government side cannot duck that fact.

Yesterday the Minister of Finance talked about Canada being a great world trader. That may be; we are proud of the exports this country has managed and we are proud of the progress we have made in the way of exports. What is the situation when we take away petroleum products from that increase in exports? That is where the greatest increase has been in price and quantity.

An hon. Member: What about pulp and paper?

Mr. Lambert (Edmonton West): Are you suggesting an increase this year over the last couple of years? The hon. member for Comox-Alberni (Mr. Anderson) knows that three years ago the lumber business in British Columbia was not worth a nickel.

An hon. Member: But now it is.

Mr. Anderson: It is certainly much better now, is it not?

Mr. Lambert (Edmonton West): It is temporarily better now, but that is not progress. As a matter of fact, petroleum products are declining in quantity. Our exports of these products have declined in quantity as a result of deliberate government policy.

I often wonder about the position taken by members of the NDP, particularly the leader of that party. He wants the Canadian government to restrict the export of petroleum and natural gas. Let us talk about what the governor of the Bank of Canada said the other day that $500 million could be found immediately if we increased our exports of natural gas to the United States. The governor said he was impatiently awaiting the government's favourable decision in this regard. I am paraphrasing his words, but that certainly was his attitude. The hon. member for Oshawa-Whitby (Mr. Broadbent) says we should not export any natural gas; rather we should send it to Quebec City and the maritimes. That just shows how bankrupt he is in his idea about how long it takes to build a pipeline.

Who is going to pay for the cost of converting the heating units in the homes in Atlantic Canada from oil to gas? Who is going to pay for this conversion cost all the way along the river from Quebec City? Is it to be paid by the Canadian government, the Quebec government or the governments of the Atlantic provinces? Even with the best of intentions it would be five or six years before a gas distribution system could be developed in the maritime provinces and down river to Quebec City and beyond. In the interval the small gas producers in Alberta would be shut down. They would be shut down as a result of a lack of cash flow. The gas in Alberta at this time is not necessarily being produced by the big producers who can afford to wait. There are many small independent companies producing gas. They have been making this point all along. If hon. members on the government side would attend meetings addressed by representatives of the Independent Petroleum Association of Canada and the Canadian Petroleum Producers' Association, they would realize this fact.

In the past two years the Government of Canada, along with the governments of Alberta and Saskatchewan, have stimulated exploration for petroleum and natural gas. This has resulted in increased flows of gas. We have provisions in this bill for the same purpose. In spite of this, members of the NDP and some government members say we should not export gas at this time. They say we should not increase flows at this time, that we should shut these wells down, and perhaps in five years we will be able to get some gas into the Atlantic provinces, providing the people there want it and are able to pay for it. That just does not make sense.

The provisions the minister has included in Bill C-37 to encourage the production of petroleum and natural gas in Alberta, Saskatchewan and elsewhere will produce more gas. I am prepared to congratulate the minister in that regard as that is one of the better features of his bill. This feature was hard to come by. It was like pulling teeth to convince this administration that this had to be done. It was only because of a tough stand taken by certain provincial governments in this regard that this occurred. Whoever it is that feels he is to be con-

gratulated for this, let him strain his shoulders patting his own back. This was a good decision and I unreservedly support it.

The Minister of Industry, Trade and Commerce (Mr. Horner) would be the first to recognize that there is going to be an awful lot more gas available unless this industry is shut down. Many small independents are at the point of having to shut down now. No money is recovered from gas that is down a well. It may have cost $150,000 to $250,000 to drill the well, but where is the cash flow until that gas is sold? That points out the idiocy of this situation. On one side we have people saying we should shut production down and not export. No wonder they have no members in that area. They could not give away ice-cream cones to a five year old. It makes one wonder sometimes. I know that the minister is in the House and when he closes the debate—

● (1600)

Mr. Chrétien: Right now!

Mr. Lambert (Edmonton West): —there will have to be an explanation of this $10 billion. There will be available to the minister in fiscal 1979-80 $13.8 billion. There is the $2 billion which will expire on March 31, then there is $3.8 billion which will carry on into the next fiscal year, and he is now asking for another $10 billion.

From the budget speech we learned that there would be a cash requirement of $10.7 billion for this coming year, and that leaves a cushion of approximately $3 billion. What we want to know is what the minister's estimate is of how much of that will be required for foreign exchange borrowing. This is not an issue which the minister can sweep under the rug. We are down to the point where, as I said yesterday, in my adult lifetime I have never known the Canadian dollar to be as low as it is now.

It is no longer a case of saying, "Oh well, we'll be able to sell more and more at that lower price". That just does not wash because we buy too much, and as a result the cost of imports affects the cost of living and leads to higher inflationary rates, so the wheel turns once more. All we get is a recurring cycle but at a faster pace. It is a suicide course. There is no doubt that at some point the government will have to bite the bullet and take some other measures, and there are many open for consideration. The government must take the public into its confidence and explain to it what it intends to do and for what purpose. The public has not heard a thing about this tool.

Having said that, I would like to turn to other features of this bill. The one thing which bothers me about this particular bill, and I might as well touch on it at the beginning, is the redefining of small business. To me, it smacks of a dog in the manger.

Mr. Dionne (Northumberland-Miramichi): Oh, oh!

Mr. Lambert (Edmonton West): If the hon. member for Northumberland-Miramichi (Mr. Dionne) understood the effect of this, and if he came from a part of the country where this provision applied, he would realize just what I am talking about.

Mr. Baker (Grenville-Carleton): He has trouble getting to work in the morning.

Mr. Lambert (Edmonton West): I refer to small business, and the definition is there. If the province of Quebec had only followed the province of Alberta in this rather salutary example, the notaries would be allowed to incorporate. I am not going to go through the process of what this means, but what is significant is that a corporation pays income tax at a lower level, based upon the limitations of small business. The owner of the small business then draws his salary, upon which he pays income tax at his personal rate, and what is left may be invested.

The point which some of my constituents have made is that it gives them the choice of investing this money in, for example, an RRSP, the purchase of Canadian equities, and so on. But it is an investment made by the individual concerned. There are many people on the other side who would say, "Tax everybody to the hilt, the government will take the money and spend it as it sees fit". That is what it is saying in this bill.

I would like to know what the difference is between an architect and an engineer with regard to why they should be able or not able to incorporate. Why should a qualified insurance agent be allowed to incorporate but a notary or an individual who limits his legal practice to that of a solicitor is not allowed to incorporate? Is a dentist a naughty businessman? Is a doctor a naughty businessman? They are both professionals. There are many other professionals in business who are entitled to incorporate and therefore take the benefit of the rates. They ultimately pay tax because the accumulation of money as a result of the lower tax rate must ultimately be disbursed. In the interval, however, they have been able to invest their money.

Mr. Kaplan: Oh, oh!

Mr. Lambert (Edmonton West): The hon. member for York Centre is one of those who feels that the almighty state is more intelligent and better capable of investing the funds. The idea is stupid. The hon. member is not stupid, but the idea is stupid.

Mr. Kaplan: Would the hon. member permit a question?

Mr. Lambert (Edmonton West): Certainly; I will debate this with you all day.

Mr. Kaplan: The hon. member has mentioned that professionals such as doctors, lawyers, architects, dentists and so on are small businessmen too. The government also feels that these businessmen should have the benefit of this special tax incentive. Has the hon. member ever heard, in all the years he has been a member of parliament, of a doctor, lawyer, architect, or dentist risking bankruptcy in their business to build it up? Does that not indicate that the entrepreneur who takes such risks—not the doctors, lawyers, architects or dentists—needs such benefits?

Mr. Lambert (Edmonton West): The architect has always been able to do it and will continue to do so.

An hon. Member: Oh, oh!

Mr. Lambert (Edmonton West): I know what the abuse is because it is done in the province of Alberta, and other professionals want to get the same thing. The point is that it is a question of principle as to whether the individual or the state can better invest the funds.

It also portrays something which is prevalent in government circles, and I have noticed it for a number of years, and that is that as soon as money is earned, it must be taxed, and the state has the inalienable right to a big share. Of course, it is wrong because the individual does not exist for the benefit of the state; the state exists for the benefit of the individual. That is the difference between the Liberal party and the Progressive Conservative party and, of course, the New Democratic Party is even worse. I should be able to take my own money and invest it as I see fit.

An hon. Member: Oh, oh!

Mr. Lambert (Edmonton West): If the hon. member could put two dimes together, I am sure he too would change his mind and say that the individual is the better judge of where his money should be invested, whether it be in Canadian industry or whatever. It is not so that the government can put money through Petro-Canada and buy Pacific Petroleums. That is fine. That is the kind of individual who would not last five seconds in Alberta or Saskatchewan, but that is where money is being made.

● (1610)

I am sorry the government has seen fit to take this step. Unless the government can show why it has to say to a lot of self-employed businessmen that they are going to have the benefits of the small business tax rate, many of them will never get to the top of the earnings. Remember, $750,000 is a lot of money to earn over the years. Surely if an architect is able to do that, why not an engineer?

Then we come to the insurance agent, the master plumber, the highly skilled carpenter, the tool setter; why can they not incorporate? They are all skilled men and so are the others, and that is where there should be parity. But somehow or other in the philosophy of the Canadian taxation system he who gets out and scratches is the one who will be hit hard by taxation. He is the one who will be bled. He is the one who leaves the country to go elsewhere. I have been told this by businessmen from one end of the country to the other. He who is successful is driven out because as far as the state is concerned he is the chicken to be plucked. He is the one with the guts, the ability and the persistence to get out and do something, and he is the one to be taken.

This act is a classic example of this philosophy. I suppose I could take a shot at those who would inspire this within the public service. They do not have the same opportunity as businessmen. These people are on salary. Therefore, no one can be any better than they can. So there is great inspiration by those people, at least I suspect there is. For example, there are accountants, doctors, dentists and lawyers in government service who are not at all averse to seeing this provision in the act which will deny to those in private practice and business the opportunity of being able to switch around and defer tax. After all, he who is in the public service has the privilege of an indexed pension. But the businessman has not. Surely he should have the opportunity to put aside something of what he has earned in a place where it can grow. If there is inflation this investment will grow with inflation; I will not deny that. Why should he be reduced to a position where he cannot avail himself of that which is given to so many others? I would like to question those who are on salary and those who would propose this particular action as to what was behind their motivation. I guarantee that many of them would admit it is because of the premise: "I cannot do it, therefore he cannot do it".

Let us go through the ways and means motion. I want to give a brief overview of the act. My colleagues, of course, will spend a good deal of time on the detail of this. Then we will be in committee of the whole where perhaps we will get more answers.

In the budget papers for November 16, 1978, in the section headed "Notice of Ways and Means Motion", No. 7 reads:

Interest and Taxes on Land

(7) That the Act be amended to permit a deduction for interest and property taxes incurred after November 16, 1978 with respect to land held primarily for the purpose of resale or development by a taxpayer in the ordinary course of his business.

Of course, this is right. It is an expense of doing business. Why should the individual be denied? After all, it was denied to him in order to try to stimulate movement of land so that it would not be held in the hands of developers. What happened was predictable. Every cent of tax and interest which the developer had to pay was merely added on to the sale price. The chap who is buying, that dear old sucker, the member of the public, the consumer, was the one who had to pay. Taxes and interest were added on to the price of the land and he was the one who had to pay. This all too often happens. It is said: "We are trying to protect the consumer; we are going to add on some costs; we are going to do this and we are going to do that." Then we hear the cry: "More controls". This is just like capital gains on the sale of land. The consumer or the ultimate purchaser is the one who pays that much more and everyone thinks he has been very smart. Instead he has been rather stupid.

There have been changes with respect to restricted farm losses and that is good. There have been changes to the research allowance. Here I must say the government has finally opened its ears and listened. It has accepted the fact that there must be inducements for expenses in research, not for the big international firms but for small firms. Unless they get this inducement, research will not be done.

The benefit of research is not only for the firm concerned or for the value of the product; research means the employment

of hundreds and thousands of highly skilled people, young men and women—and also many not so young—who have been educated in Canada, and elsewhere often at our expense, to become highly trained in the scientific fields. There is not one nickel's worth of value in any program of scientific training unless it will be used. It must be used in research, either pure or applied. In this particular instance we are seeing attention or encouragement given to applied research. I think the Minister of Finance has to be congratulated for this hesitant step he is taking. It may be that as a result of experience over the next year or two or three allowances will have to be increased. This is something that is borne out only by experience. In any event, it is a step in the right direction.

Clause 17, which comes under the heading of unemployment insurance benefit repayments, is a rather curious provision. I do not reject the provision at all. I do not know why it is made a general rule, but it reads:

● (1620)

That for the 1979 and subsequent taxation years,

(*a*) the benefit repayment of an unemployment insurance claimant be deductible in computing the taxable income of the claimant for the taxation year to which the benefit repayment relates, and

(*b*) such benefit repayment not be deductible in computing the claimant's income for the taxation year in which it is paid—

In other words, if in 1977 an individual became entitled to an unemployment insurance repayment but for some reason or other it was held up and paid only in 1978, it shall not be taxable in 1978 but in 1977. I think that is correct. I would like to have seen the minister go one step further. This is of benefit to those in the public service. The negotiation of contracts in the public service is a lengthy procedure. Ultimately there may be an agreement or an award with a great deal of retroactivity. However, moneys paid on a retroactive basis are not attributable to the tax year for which they are being allowed; they fall into income at the time of payment. Many public servants are therefore doubly penalized. As a result of that retroactive amount falling into the last taxation year as a lump sum, the marginal rate will have gone up. Therefore, a good part of the retroactive benefit is lost.

We can adjust taxation back and forth. There is absolutely no reason why a retroactive salary award cannot be apportioned over the period for which it is awarded. It may go back two taxation years. It is not unknown in the public service to go into three taxation periods, and should be adjusted on that basis. I suppose it is a matter of administrative expediency that the moneys shall be collected when paid, not when they were earned.

When an award is made either by negotiation, an arbitration tribunal or someone else, surely it should be spread over the period concerned. If this is recognized with regard to unemployment insurance benefits and the allocation of premiums, it should be recognized with regard to wages and salaries and any increments arising therefrom. I again quote:

Canadian Exploration Expense

[Mr. Lambert (Edmonton West).]

(19) That the provisions of the Act permitting the deduction of Canadian exploration expenses incurred before July, 1979 by individuals and non-principal-business corporations be extended to expenses incurred before 1982.

Why not all the way? Why are we so hesitant about getting rid of the principal occupation rule? During the fifties and sixties it operated to the disadvantage of those in western Canada when we were at a competitive disadvantage with Americans who came into the independent oil fields and took away the whole business, just like one would take candy from a child. Canadians were halted by an old-fashioned, out of date concept with regard to oil and gas. It is finally recognized that 100 per cent of expenses in so far as Canadian exploration is concerned in petroleum and natural gas fields can be deducted by individuals and non-principal-business corporations.

Why does this only take effect in 1982? Why is the government grudging for three years? Is it because they cannot get rid of that vestige? Is it something to be begrudged? Again it is the concept of people who do not understand the value of getting out and doing something. Then there is this provision:

(21) That

(*a*) the definitions of Canadian development expense and Canadian exploration expense be clarified to ensure that, for taxation years ending after May 6, 1974, they include the expense of completing an oil or gas well in Canada, and

(*b*) The definition of Canadian development expense be extended to include expenses relating to the recompletion of an oil or gas well in Canada incurred after November 16, 1978.

That is of advantage. It is good.

Storage Rights

(24) That, after November 16, 1978, a right, licence or privilege to store petroleum, natural gas or other related hydrocarbons be included in the definition of Canadian resource property.

Resolution No. 25, exploration and development expenses, is certainly good. I do not like what is said about the limitations on small business. I wonder what pressures the provincial governments were able to put on the federal government to get into this field.

There are a number of other resolutions, numbering into the seventies. I will not read them all. I think I said enough to cover what should be said at this stage of the reading of this bill. My colleagues will go into other fields. Many of the points included in the ways and means motion are pure housekeeping, plugging holes and clarifying situations which regard to the Income Tax Act.

Possibly some of the most uninteresting drudgery in parliament is amending the Income Tax Act, unless there is something that will really hit us hard. There are some small amendments that are of great benefit to the Canadian public. The individual worker has his allowance increased from $250 to $500. Perhaps there is some difficulty there determining what is that working expense. In any event, it was coming to the worker. After all, there has been more than 100 per cent inflation since the provision was put into the act some years ago. Therefore, it is only a catching up to what is known as a worker expense.

There are some inequities with regard to worker expenses, moving expenses and proposals to tax some of the benefits given to workers. For example, railways, airlines and others

issue travel passes as part and parcel of salary and retirement benefits. These may be taxed as a benefit. If the government is going to get into that, I just wonder whether it will get into the price of meals in factory cafeterias that are sold at the break-even point. Is that not a benefit to the individual?

Are we going to tax the individual all the way through for all the benefits he receives? Some are already suggesting, as someone was last week, that travel arrangements and the issuing of passes to members of parliament and members of legislatures should be a taxable benefit. Of course, that is nonsense because it means I would be taxed twice as much as the hon. member for Winnipeg North Centre (Mr. Knowles) with regard to that part of my income; he has to travel to Winnipeg and I travel to Edmonton, double the distance. As far as Air Canada is concerned, this is an allowance paid by the Government of Canada for me to get to my home, which is twice as far away as that of the hon. member for Winnipeg North Centre. However, I would be taxed maybe two or three notches above him. I know he would not mind that as an individual, but I do not think that I should be taxed less than members from British Columbia or more than those members from the city of Ottawa who do not get any passes for air travel at all. It should not work out that way.

● (1630)

I am wondering about another area from a social point of view. It arose during consideration of Bill C-8, I think it was, with regard to family allowances and the question of taxation. There was a grouping of family income to arrive at $18,000—

Mr. Knowles (Winnipeg North Centre): Bill C-10.

Mr. Lambert (Edmonton West): I thank the hon. member for giving me the correct number. That is a concept of joint family income. It seems to me high time that someone here, either a committee of this House or a joint committee of this House and the other place, should look into the advantages and disadvantages of a joint family income tax return. I have in mind returns by the husband and wife or in the names of a male and female who live as husband and wife. It is time to recognize such a partnership even though it does not have, shall we say, the official status of a marriage. Under the Income Tax Act there are any number of instances where there is a penalty attached to being married which does not apply to concubinage.

An hon. Member: How?

Mr. Lambert (Edmonton West): I know the hon. member may feel he gets all the benefits. But if he is a doctor or a lawyer, for instance, he cannot pay his wife for her work as a secretary. He could, though, if the personal corporation were continued. That is one of the advantages of the personal corporation. A bricklayer, a plumber, a truck driver, a plasterer or a carpenter working on his own cannot employ his wife to look after the office or as receptionist for his small firm. He cannot employ his wife if he is in partnership with someone else either. The firm has to be incorporated before the expenditure can be charged to the business and paid to her. The same applies to a wife working in a small restaurant operated by a husband. This is why one often finds the wife of a restaurant operator working for another restaurant operator, simply because it is more expensive under the Income Tax Act to function as legally married than it is in concubinage.

This leads to one conclusion. We ought to reconsider this aspect of the law, and it seems to me it could be put into the chapter of the pros and cons of filing general income tax returns between husband and wife. This is done in California. I know there is a great fear of income splitting, but that could be monitored just like everything else. It would remove these anomalies which exist under the Family Allowances Act or with regard to payments under the negative income tax. It would also eliminate anomalies as far as elderly persons are concerned. Here is a classic example: a special supplement is now payable to senior citizens where there is an income deficiency. If two people do not happen to be married, they can both collect a benefit; but if they happen to be married, only one of them can get it. I think this is a totally unjustified penalty imposed on those who are legally married.

In due course this bill will be given second reading. Its progress will depend on the answers we get from the Minister of Finance. I can assure him on a personal basis that I regretted that last ten minutes of his speech yesterday because it will make the passage of this bill much more difficult; his comments certainly opened up the scope of this debate far beyond the income tax issue. I do not think it was worthy of the minister and I hope he will not try dealing with a bill in that way again; it will be the last time he will put one through in any event.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, yesterday the Minister of Finance (Mr. Chrétien) provided another example of the government's fundamental economic policy—do as little as possible while talking loudly about how good life is in Canada. This last budget, like those that preceded it, guarantees that our economy's weakness will continue without hope of a new direction. The same poverty of ideas and wealth of blustering was well exhibited by the Prime Minister's (Mr. Trudeau's) last August 1 pronouncement. He pledged to do all in Canada's power to achieve growth in the order of 5 per cent for 1978, yet his method offered only a warmed-over version of Tory spending restraint, restraint which has to cost the economy many thousands of jobs.

We have not achieved the Prime Minister's August growth target, nor have we achieved the finance minister's forecast of growth in 1978. The November 1978 budget was accompanied by a new set of optimistic forecasts from the minister, but other forecasters, both in Canada and elsewhere, have taken the wise step of ignoring the minister and making their own, much less optimistic and more realistic predictions about the Canadian economy in 1979.

The weakness of this government and the lack of confidence created by the government's economic record are apparent for all to see in the dollar's performance. The minister tried to deal with that aspect yesterday and I want to spend a few

minutes discussing the reasons for the present weakness of the dollar. We have to ask ourselves why the dollar is weak. It is weak because the economy is weak. We have unemployment, inflation, unused industrial capacity and unsolved constitutional problems. Other countries do not know who is going to be in charge of this country. They do not know what our tariff structure is going to be. They do not know who is going to be in charge of our resources, and they show that they do not know where we are going by marking our dollar down. Because people in Canada and in other countries believe that our economy is weak, they are speculating in Canadian dollars by selling them. This is probably reducing the value of the Canadian dollar by between six cents and seven cents.

● (1640)

The government has no policy with respect to unemployment or prices. The government has no plans for the future which it can announce, so people are afraid, and rumours about gimmicks such as exchange controls or temporary surtaxes on imported goods—which would be illegal under the GATT agreement—abound. Spokesmen for the Conservative party propose those kinds of gimmicks. If we want a stronger dollar, we have to convince the world that we will have full employment in the near future and that we will have an industrial strategy which will encourage a modernized and technologically efficient manufacturing industry.

The budget speech some months ago and yesterday's speech by the Minister of Finance did not even set out goals of that nature. The minister should by now realize that the economy does not change just because he says it will. However, in his speech yesterday the Minister of Finance did outline objectives which he hopes to achieve with his budget and with his bill. Upon close examination those objectives turn out to be as hollow as many of his earlier statements.

One objective which the minister proposed was, and I quote, "to maintain and accelerate growth and demand through fiscal stimulus". Consumer demand is not likely to increase substantially as long as the Prime Minister and other cabinet members successfully keep increases in wage rates lower than increases in the consumer price index, yet that is a deliberate well thought-out but wrongful policy objective of the government.

In the third quarter of 1978 real consumer spending grew only by less than 1 per cent, despite stimulative retail sales tax cuts, which the government has neither renewed nor increased. Current forecasts such as that of the *Financial Post* are for a consumer spending increase of about 3 per cent, no better than the last two years and much worse than the 5 per cent to 8 per cent gains of 1971 to 1976.

Another stated objective of the budget is to put downward pressure on prices and costs, yet the Minister of Finance has already abandoned his goal here. In November he predicted an inflation rate of 6.5 per cent, but this month before the Canadian Club of Toronto he changed his forecast to 7.5 per cent, undercutting the thrust of the budget and confirming the forecast of the Conference Board that inflation will remain in the 8 per cent range, if it does not go even higher. The budget is supposed to stimulate capital spending, but as I shall show later, it is more likely just to stimulate corporate profits.

Research and development is also supposed to be stimulated, but even the Canadian Manufacturers' Association estimates that only $50 million more industrial research and development will be produced, when increases of more than $250 million a year would be required to meet the government's own target in this field.

Another objective of the budget is stated to be assistance in overcoming the structural problems of sectors of the economy, yet the effectiveness of such measures is surely undercut by the minister's rejection of an industrial strategy for the country. Every industry and every plant gains from this tax measure, regardless of need and of who will benefit.

Similarly, the attempt to use across the board tax breaks to support regional development cannot hope to succeed as long as there is no specific industrial strategy with realistic goals and measures to tackle the structural weakness of the economy in poor regions. Every study of the Atlantic region proves conclusively that despite the hundreds of millions of dollars poured in through regional economic expansion development grants, relative earnings of people in the Atlantic provinces as compared with Ontario have not changed at all.

The minister now admits publicly that most economic forecasts of the growth rate in 1979 are, and I quote, "considerably less than 4 per cent", yet this budget adds up to zero impact on the economy at a time when the country needs economic leadership rather than another year of paralysis at the top.

The minister's November prediction of growth was between 4 per cent and 4.5 per cent. This should be compared with forecasts in the order of 2.2 per cent by Pitfield, MacKay, Ross and Wood Gundy, and 3 per cent according to the *Financial Post* and the Chase Manhattan Bank. The most optimistic private sector forecasts are in the order of 3.4 per cent, the optimists being Dominion Securities and the Conference Board.

Mr. Chrétien: And OECD.

Mr. Orlikow: It is little wonder, therefore, that yesterday the minister did not repeat any forecasts of economic growth in 1979. Even he must be coming to realize that the budget is having no impact on the economy. The only real tax cut in the budget, the increased deduction for employment expenses, will give the average taxpayer less than a dollar a week more to spend. This will not help meet the rising cost of living, nor will it generate the growth in consumer spending needed if we are to start creating jobs for the unemployed.

Over-all, the level of stimulus contained in the budget does not even undo the damage resulting from the August 1 cutbacks. The government admits this in the budget when it forecasts the number of new jobs in the coming year will be 200,000 less than the number claimed for 1978. I suggest that the minister study the long article in this week's *Financial Times* before he boasts about the supposed number of jobs

created last year. There is no question that the economy needs a major stimulus. This budget and this bill fail to provide that stimulus. The reduction in the manufacturers' sales tax would have been a positive step if the government had taken steps to ensure that the reduction was passed on quickly to consumers rather than issuing polite, begging requests for business to pass on the tax cut and endlessly promising to look into the situation.

We in this party have repeatedly urged the Prime Minister and the Minister of Finance to call in the major companies which have raised their prices so markedly, despite record profits, and to warn them that they ought not to do it or else there will be legislation to stop those practices. President Kennedy did that with success, President Johnson did that with success, but this government refuses to take even those gentle steps. Still, the major personal tax reduction and the major program of public investment which are also needed to turn the economy around are totally lacking in this government's thinking.

The lack of stimulus from the budget is seen in the continuing stream of forecasts about a slower rate of growth in 1979 than we had last year. It can be seen in the recent call by the *Financial Times* for a new budget only three months after the November effort which is embodied in this bill. That editorial in the *Financial Times* stated, and I quote:

> The world is not unfolding as Finance Minister Jean Chrétien expected three months ago and the finance department should be preparing a revised budget to deal with the changing situation.

After noting the signs of a new economic downturn and the irresponsible attitude of the Tory and Liberal discussion of economic issues, the editorial continues, and I quote:

> The deficit is a phoney issue. The real issue . . . is what they can do to get the country out of the present stagflation swamp and the seemingly endless succession of years in which growth is a meagre two or three or four percent . . . Chrétien's new and higher estimate of inflation this year, with its predictable effects in reducing consumer demand and raising the personal savings rate, makes an adjustment in economic policy urgent. A budget with cuts in personal income taxes should be brought down, and it should be produced before the election.

● (1650)

I want to remind hon. members that that quotation is from an editorial in the *Financial Times,* certainly not one of the most radical journals of opinion in this country.

One group which continues to feel the brunt of the Liberal-Tory economic philosophy the most is the unemployed. This is the second winter in a row when more than a million Canadians will be out of work, according to the official statistics which omit the hundreds of thousands of hidden unemployed. Government officials may try to talk about the present seasonally adjusted unemployment rate of 8.1 per cent as being positive, but they should try talking to the people who are out of work and cannot find another job. Last month the unemployment rate, seasonally adjusted, was 17.7 per cent for young people aged 15 to 19 years. They are going through harsh experiences at the hands of the low growth fiscal policies of this government, and the experience will stay with them for the rest of their working lives. I would point out to members that they are among the best educated, highly trained young people we have ever had in this country, and they want to work. They do not want to be unemployed.

Another problem with which the November budget did not deal was inflation, yet across the country millions of working and unemployed Canadians are forced to watch their income being eaten away by price increases. The solution of the Minister of Finance is to ask people to put up with the high cost of food. He has suddenly realized that there is not much he can do about the cost of food and certainly very little he can do, if anything, about the cost of imported food. That is precisely what we told members of the House and members of the government when they brought forward their co-called wage and price anti-inflation program in 1975. The minister offers the people of Canada the hope of a stronger economy in the future as compensation for a shrinking food dollar. Well, the value of the minister's previous predictions of a rosy future shows that it is no compensation at all.

The dire situation of people living on low and fixed incomes was well illustrated recently in the Winnipeg *Tribune.* It was reported that one retired couple had to tell the gas company: "We just can't pay the high heating bill. We have to cut down on the food or cut down on heat." What a commentary that is on the way the system is working at present! In the past five years, the price of gas has increased two and a half times in Winnipeg, and it was up 16.5 per cent last year alone. Electricity just went up 15 per cent and phone rates are going to increase by 20 per cent in April. Yet rates are lower in Manitoba than in most of the other provinces.

Those basic needs of life are increasing at the same time as inflation of food prices is entering a second year of astronomical heights. The AIB reported that food prices went up an average of 19 per cent in 1978, and already there are predictions that in 1979 the price of a pound of hamburger will exceed $2. The days when the ordinary person can occasionally buy a steak are long gone. Those food prices increased no matter how often the minister last year tried to talk food prices down, and of course to blame the increases on the supposed crying on this side of the House.

His April, 1978 budget included a forecast of 7 per cent inflation. My colleague, the hon. member for Cape Breton-East Richmond (Mr. Hogan), and I told him then that inflation would be between 8 per cent and 9 per cent, yet he chose to continue making unrealistic predictions which both undermined confidence in the government's economic management and offered an excuse for the government's failure to deal seriously with inflation. His unrealistic predictions about inflation next year will have exactly the same effect.

Indeed, the government has been so preoccupied with adopting the Tory restraint philosophy measures that it contributed to the inflation of food costs by removing subsidies from bread and milk. The director of the Montreal Diet Dispensary, Agnes Higgins—incidentally, an organization which has performed yeoman's service on behalf of the ordinary citizens of Montreal—has said that the price increase of staples, particu-

larly bread and milk, are seriously affecting low income families. She said:

There are no substitutes for these foods. Once they go up, they never come down, and they cover most of the nutrition needed by children.

Let us look at the problem of providing housing for people. Housing is a major factor in the living costs of most Canadians. The cost of purchasing a home has gone up steadily and relentlessly in recent years. On Tuesday of this week my colleague, the hon. member for Sault Ste. Marie (Mr. Symes), pointed out to the Minister of Consumer and Corporate Affairs (Mr. Allmand) that the price of rough cut spruce plywood had risen from $185 per 1,000 board feet in January of 1978 to $245 in January of 1979. In the same period, two by fours rose from $195 to $265, and that in a year when the profits of the wood products industry rose by 87 per cent.

When the minister was pressed to take some action to stop this unconscionable rip-off of the Canadian people, what was his reply? Well, he questioned the figures, which came from such reliable and disinterested publications as the *Globe and Mail* and the *Financial Post*, and he promised to refer the matter to the director of investigations under the Combines Investigation Act. This is not a criticism of the director of investigations. The government has delayed so long in bringing forward and passing serious anti-combines legislation that not only will it take him two or three years to make a finding, but when he does it, unless we have adequate legislation, he will not be able to do anything about it. So we know that the cost of housing will continue to escalate because the government simply refuses to take any real action.

The budget and this bill may ignore the plight of the low income earners, but the government's corporate friends were, as usual, taken care of. The need for that kind of friendly attention is demonstrated by the 22.8 per cent increase in corporate profits in the third quarter of 1978, which contributed to profit gains of 25.6 per cent for the full year, according to the *Globe and Mail* survey. That was permitted and encouraged by the same government which is trying to force working people to accept wage increases of just 6 per cent when the cost of living is going up by 8.5 per cent. Companies and the government say that this just compensates for poor profits in earlier years, yet profits fell only once in the past five years, a 5.2 per cent decrease in 1975, and that was more than compensated for in other years. Profits increased 20 per cent in 1974 and 46.4 per cent in 1973. Only one of the major banks saw its profit decrease in even one of the last five years, and large oil companies have been equally profitable. A report published by the Economic Council of Canada has documented that between 1968 and 1973 the chartered banks earned excess profits of more than $200 million, and we know that since then their profits have increased at an even faster rate.

The government's decision to keep cutting corporate taxes flies in the face of all objective evidence about the effect of such cuts. Let us just look at the record. Corporate tax concessions contained in the recent budget, which came on top of a series of corporate reductions over the past two years, have had the effect of reducing the tax load for Canadian corporations to one of the lowest in the developed world. The background paper accompanying the budget argued that manufacturing in this country already enjoyed effective rates of 10 per cent to 12 per cent lower than those in the United States. Effective rates in the resource sector are even lower.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Veterans Affairs—Introduction of measures to improve pensions; the hon. member for Ottawa-Vanier (Mr. Gauthier)—Official Languages—Inquiry whether budgetary cuts will affect funds for teaching official languages; the hon. member for Halifax-East Hants (Mr. Crosby)—Energy—Steps to ensure adequate supply of oil to east coast refineries.

● (1700)

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

There being no private bills on the order paper, the House will now proceed to notices of motions for papers and the consideration of motion No. 3.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

PRAIRIE FARM ASSISTANCE ACT ADMINISTRATION

Mr. Gordon Towers (Red Deer) moved:

That an Order of the House do issue for a copy of the file or files in the possession of the Department of the Solicitor General and/or in the possession of the Royal Canadian Mounted Police relating to the investigation concerning Prairie Farm Assistance Act administration.

He said: Mr. Speaker, at the outset I should like to say that I am not a vindictive person; all I seek is truth and justice. Briefly I should like to outline the history of the proceedings which led to my motion for the production of papers, related to irregularities within prairie farm assistance administration during the 1974 federal election campaign.

For hon. members who are not familiar with the Prairie Farm Assistance Act, it was established by a former minister of agriculture, the Hon. James Gardiner, to compensate farmers for crop failures due to drought, hail or otherwise. Payments were calculated according to crop yield within a specified block up to a maximum of $800 per farm. While that was the original intention of the act, the federal government has since used it to administer lower inventory for tomorrow, known as LIFT, and the grassland incentive program; the former to encourage farmers to decrease wheat production, and the latter to pay them for each acre converted from grain to grassland when the grain market was in the doldrums.

Whether or not prairie farm assistance was acceptable, the general feeling was that in some cases the administration was a political arm of the Liberal party. Prairie farm assistance employees who refused to become involved politically with the Liberal Party deserve commendation for their courage and honesty. Many who got jobs were defeated Liberal candidates or other Liberal supporters who used their positions, influence and taxpayers' money to promote the Liberal cause in western Canada. Also I was informed that in some cases applicants for positions were screened by defeated Liberal candidates, and if not approved they were not accepted. Unfortunately, some of those who passed scrutiny allowed themselves to become political tools, especially during election campaigns.

Shortly after the 1974 federal election, I was contacted by a prairie farm assistance field supervisor who had evidence of what he considered to be wrongdoing within that administration. My informant had instructed employees under his supervision to discontinue farm inspections during the election campaign to avoid involvement in politicking. This meant they would not be paid. An expense account submitted by a field man in my informant's territory crossed his secretary's desk. It claimed travel expenses for the period just prior to the election when he was not supposed to be on the road. The secretary noticed the sheet had been forwarded from the prairie farm assistance Regina office but had not been signed by the district supervisor. Thus she reported the error to the prairie farm assistance office in Regina. Within minutes she received a call from Regina instructing her to return the expense claim to that office immediately. In other words, the district supervisor was to be bypassed.

Even to the most naïve person, such procedure would suggest something was out of order. Apparently the claimant in question was being paid for political work during the campaign out of prairie farm assistance funds made up of farmer contributions and federal tax dollars.

Had the government admitted in 1974 that in fact there was something irregular and assured the House that remedial action would be taken after an appropriate internal investigation, I would not have found it necessary to call in the Royal Canadian Mounted Police and this prolonged uphill fight for justice would not have developed. By covering up and denying misuse of funds, despite evidence to the contrary, Canadians are left with the justifiable impression that the government does not take seriously fraudulent acts involving tax dollars. The government prefers to waste House time in cheap insinuations unrelated to public funds, while covering up payment of tax dollars for political gain. Is there no one in that group of nobodies who would attempt to be somebody by facing up to responsibility?

The prairie farm assistance irregularity was brought up in the House first by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) and myself in December 1974, without satisfactory action on the part of the federal cabinet or the then minister of agriculture. At my request later that month, two constables from the Royal Canadian Mounted Police commercial crime branch visited my office to examine prairie farm assistance documents in my possession. Subsequently the RCMP decided there was sufficient evidence of irregularities within prairie farm assistance travel expense accounts to warrant an investigation. As a result, on May 27, 1975 an information was laid against the chief of field operations for prairie farm assistance in Regina, which read in part that he:

> —did by deceit, falsehood or other fraudulent means defraud the public in general and the Government of Canada of the sum of $399.78 by making or causing to be made false and fictitious travelling expense accounts and work reports contrary to section 338(1) of the Criminal Code of Canada.

I might say that the amount is small and that the person so charged must deal with his own conscience; but principle is at stake here and my purpose in this motion is to find out who instigated the false work reports and expense claims. I do not think the accused did so on his own initiative.

At the preliminary hearing on July 17, 1975, the acting judge of the magistrates' court in Regina made an order, at the request of defense counsel, banning publication of evidence taken at the hearing. During the inquiry witnesses for the Crown were belittled, verbally abused, intimidated and subjected to tactics more in line with a dictatorship than a democracy. Following the hearing the accused was committed to stand trial. Would it not have been more humane and sensible to have handled this case responsibly within the departments concerned than to force the accused employee and witnesses into court?

I should like to put on record portions of the transcript of that hearing. This document contains questions and answers between the Crown counsel and the witness. It reads:

Q. Do you personally belong to a political party?

A. Yes, I do.

Q. What party is that?

A. That's the Liberal party.

Q. And did you back it in 1973?

A. No answer.

Mr. Deputy Speaker: The hon. Parliamentary Secretary to the Solicitor General of Canada (Mr. Young) rises on a point of order.

Mr. Young: Mr. Speaker, I rise on a point of order. I hate to interrupt the hon. member, but since he is reading from a transcript of the hearing, I wonder if he would be good enough

to tell us the page and question numbers to which he is referring because they are listed in the transcript.

Mr. Towers: Mr. Speaker, I commenced my remarks by reading question No. 37, which appears on page No. 46. It continues:

Q. Did you in 1974?

A. If there happened to be an election that year I did—

● (1710)

Then going on to question 42 it reads:

You have been, over the years, a member of the Liberal party?

A. Yes, I have.

Q. When did you next hear from—

The reference was to the accused and the answer was:

It was probably in May in '74.

Q. And under what circumstances?

A. He asked me if I wanted to work for, help out in the campaign.

Q. And there was a federal election held on July 9, 1974?

A. I believe there was, yes.

Then he asked how the accused contacted him and his answer was:

I believe he contacted me by phone.

Q. And what was said at that particular time?

A. Oh, I think he asked me if we had a candidate nominated and if I would help in the campaign. I don't think—I think that is just about all that it amounted to.

Q. And how did you respond to that question?

A. I think the way I responded was that I told him I would think about it and let him know.

Q. And did you in fact let him know?

A. Yes, I did.

Q. When—how did you do that?

A. Sometime after that.

Q. A matter of a few days?

A. Maybe a few days, maybe a week or something like that.

Then question 56 reads:

And what did you say, what was said on that occasion?

A. I believe I told him that I would help with the elections.

Q. And what, if anything, was said about compensation?

The answer to the question numbered 59 is:

He told me I would be compensated.

At sittings of the District Court Judges' Criminal Court at Regina on December 2, 1975, the Attorney General's agent instructed the clerk of the court to enter a stay of proceedings.

In view of the documentary evidence of misuse of PFA funds, I asked the then minister of agriculture whether or not the employee charged with fraud had acted on his own initiative or on the instructions of another. He replied that he accepted the ruling of the court, and my legitimate question was overlooked. Court or no court, a minister should be willing to accept responsibility for an employee's performance, particularly if it is a fraudulent act within his jurisdiction.

Having been stymied by irresponsible ministers at every turn, I was forced to submit a motion for the production of correspondence, expense accounts, wage claim reports, field-

men's work reports, etc., between PFA employees in the provinces of Alberta and Saskatchewan and PFA in Regina for the period May 8, 1974 to July 8, 1974.

On July 7, 1976 the parliamentary secretary to the agriculture minister informed the House that PFA records were transferred to the Public Archives when the Regina office had been closed and could be viewed there, but that internal correspondence had been destroyed. Is it not strange to have such correspondence done away with when there remains about $9 million in the PFA fund?

Having evidence in my possession of impropriety within the PFA administration, I do not need to review the records transferred to the Public Archives. I continue to wonder, as do many Canadians, why internal correspondence, no doubt in part related to fraudulent expense accounts, was destroyed. Can there be any doubt that those communications were conveniently removed to cover up illegal doings on the part of some person or persons other than the employee who was charged? The government leaves itself open to that suggestion.

When the hon. member for Qu'Appelle-Moose Mountain asked the minister who decided to destroy the Regina office papers, as it appears in *Hansard* for July 8, 1976, the minister replied that the person in charge of the office, that is, the employee accused of fraud, decided that all insignificant documents should be destroyed. This House and the general public will never know their contents.

As a last resort in my quest for clarification I presented a motion to have laid before this House a copy of the contents of the file or files in the possession of the Department of the Solicitor General or the Royal Canadian Mounted Police relating to the investigation concerning Prairie Farm Assistance Act administration. I have not mentioned every approach I have made to cabinet ministers in this House to get this matter satisfactorily cleared up, but the motion being discussed now dates back to July, 1976. I believe the RCMP would be prepared to give up the documents if it could obtain the approval of the Solicitor General's department.

Thank you very much for allowing me the privilege of bringing this matter before the House at this time, Mr. Speaker.

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, I listened with interest to the presentation this afternoon by the hon. member for Red Deer (Mr. Towers). Perhaps I should point out to the House that this is not the first time this motion has come before this parliament. It was first put on as a motion for the production of papers by the hon. member on July 13, 1976, but it did not come up for debate in the first session of this parliament.

It was again put down as a motion for the production of papers on November 17, 1976. The then parliamentary secretary to the solicitor general, my colleague the hon. member for Vancouver East (Mr. Lee), replied to the hon. member that it was not possible to produce the papers he wished to see because they related to police investigative matters conducted by the RCM Police in the province of Saskatchewan under the

direction and control of the attorney general of Saskatchewan. The hon. member was told at that time that it was the attorney general of Saskatchewan who had refused to allow the production of the papers in this House. That was explained to him quite fully at that time by those who participated on this side of the House.

Notwithstanding that, the hon. member, still not satisfied although having had a fairly thorough debate during the second session of this parliament, put the matter down for the third time as a motion for the production of papers on March 16, 1978. It did not come to a debate in the third session, but it has now been put down as a motion for the production of papers as of December 6, 1978.

I cannot really give the hon. member much more of an answer than he has already received or that has been explained to him on a number of occasions. The matter was debated fully and explained during the debate which took place at the second session.

The solicitor general of the day wrote to the attorney general of Saskatchewan. Perhaps I should be technically correct and say that it was the deputy solicitor general who wrote, and permission to table the documents was refused. That information was requested by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) during the debate which took place at the second session. My colleague, the hon. member for Vancouver East, wrote him a letter back in July, 1977, confirming that in fact the deputy solicitor general had written to the attorney general of Saskatchewan and in turn had been told that the attorney general did not consent to the release of the papers.

In addition to that, in general terms it has not been the policy of this House at any time I am aware of that police files and investigative matters are ever released on a motion for the production of papers, simply because they could contain all sorts of assertions, allegations and things that may not as yet have been proven in court. Such a release could compromise the police in the effectiveness of their investigations, and it could make it very difficult for them to work. It might also compromise people who have come forward voluntarily to give the police information. That in a nutshell is the simple reason why these papers are not produced in this House.

I could make a number of points in explaining that to the hon. member. I could go back and quote, as my colleague did, from sources as far back as Lord Palmerston showing why in the British parliament and, through that system, this parliament, such papers are not produced. It is RCMP policy and long-standing police policy that police files are not disclosed to the House of Commons or made public in any way. The necessity for confidentiality of police reports was recognized many years ago in Great Britain, and that is supported by the fairly well-known statement of Lord Palmerston back as far as 1865, to which I have referred.

● (1720)

The production of confidential police reports in the House of Commons might seriously jeopardize the good administration of justice and could seriously impair the success of future investigations of this nature. In this particular case an investigation was carried out by the RCM Police as a result of allegations of the misuse of funds under the prairie farm assistance administration in Saskatchewan in late 1974. The case was investigated and prosecuted under the jurisdiction of the attorney general of the province of Saskatchewan. The details of what took place are a matter of record and they are available to any member of this House. Obviously, the hon. member for Red Deer has those details in the transcript of the proceedings which can be obtained from the office of the attorney general of Saskatchewan. I am referring to the transcript of the proceedings at the preliminary hearing.

The alleged offence—and I stress "alleged" offence—although the matter comes under a federal statute, was considered to be of a criminal nature and the charges were laid under the Criminal Code by the attorney general of Saskatchewan. The prosecution was also conducted under the authority of the attorney general of Saskatchewan. As I have said, the concurrence of provincial authorities for the release of police investigative reports to the House of Commons has not been forthcoming.

The hon. member for Red Deer, in trying to make the case that there was some political hanky-panky, quoted from the transcript. He suggested that there was a possible cover-up. The hon. member was very selective in the questions and answers which he read from the transcript. The case which he attempts to make out through the transcript does not carry all the way through the transcript. Just to refresh his memory and to present the whole picture to members of the House who have not had an opportunity to read the transcript, I would refer the hon. member for Red Deer to question 28 at page 45. The Crown is examining the witness upon whom the case turned. The transcript reads:

Q. Did you talk about politics?

A. Well, I believe it came up.

Q. And in what way?

A. I really don't recall how it came about, how we started it.

Q. In any event, what was the gist of that discussion?

A. Pardon?

Q. What was the gist of, the essence of that discussion?

A. You mean what became of that discussion?

Q. What did you talk about?

A. You know, I really can't recall what we talked about. We talked about the program.

THE COURT: The Grassland Incentive Program.

One could go to other pages in the transcript. The hon. member quoted from page 46. Let me take him to page 48 which he conveniently overlooked. Question 64 by Crown counsel reads:

Q. Okay. And did you in fact work in the election campaign for the Liberal candidate in the area?

A. No, I didn't.

Q. Nothing at all?

A. Oh, I put up the odd poster in the evening.

Let me go to some other pages because I think that the questions and answers bear out a case which is quite different from the one which the hon. member for Red Deer was attempting to make.

Mr. Towers: You are incriminating your own man.

Mr. Young: We are now into cross-examination, Mr. Speaker. I am reading from page 68, question 245:

Q. In fact, you basically kept politics separate from your job, didn't you,—

A. That was our orders when we first started working for PFA.

Q. And Mr. Buchan never really changed those orders, did he?

A. Not that I know of.

Q. At least he didn't come to you and say we are now going to have a new method, we're going to mix politics with work, did he?

A. No.

Q. Never even suggested it to you at any time, did he?

A. No.

That presents a slightly different case which is coming out under cross-examination before the judge.

Mr. Towers: By a defence lawyer.

Mr. Young: Of course, a defence lawyer on cross-examination.

Mr. Towers: Who put words in his mouth.

Mr. Young: I would invite anybody, Mr. Speaker, to read the transcript, and they will see exactly how the case for the prosecution fell apart. Its own witness fell apart and as a result the testimony upon which the Crown based its case did not hold up in a court of law; and that is what a court proceeding is all about.

On reading through the transcript I would like to bring out some other interesting points. Here is question 269:

Q. Let me put it this way, Mr. Kormendy. You wouldn't be considered a truly active Liberal, would you?

A. Not really. I wasn't really that much interested in it.

This is the man to whom the hon. member for Red Deer referred in trying to make out a case that he was misusing PFA funds. Question 270 reads:

Q. And, in fact, in the past you had really not done very much campaigning for the Liberal party, had you?

A. Not since '64. No more than put up posters or nominate scrutineers and stuff like that. That's all.

Question No. 274 is also interesting:

Q. Mr. Kormendy, really, it's fair to say that there was no real great advantage to having you working for the Liberal party, was there? Looking at your past performance.

A. Not on the campaign, because I make a poor campaigner.

Mr. Nystrom: Typical Liberal.

Mr. Young: The hon. member for Red Deer tries to make the suggestion that the accused in this case had suggested to the gentleman whose evidence broke down at the preliminary hearing that the gentleman would be compensated for doing campaign work and that the compensation would come from PFA funds. That allegation did not hold up at all at the preliminary hearing. The evidence of the individual upon whom the Crown based its case broke down and the attorney general of Saskatchewan was left with no alternative but to dismiss the case.

Mr. Towers: He was still paid.

Mr. Young: The hon. member for Red Deer says that the gentleman was paid. His testimony in the transcript was that he was paid for work which he had been requested to do and which was in the general nature of his duties. There is a very interesting question and answer on page 83. It begins with question No. 356, which reads:

Q. Is it not also correct, Mr. Kormendy, that Mr. Buchan never told you to file false expense accounts?

A. Well, no, he didn't tell me to file false expense accounts.

Q. He never told you to file false wage statements, did he?

A. No.

That witness went on to say that he did not file false expense accounts. Let us look at question No. 375 which reads:

Q. So really, Mr. Kormendy, you believed that you were entitled to be compensated for the work you did in your home. Is that correct?

A. I figured I wasn't compensated enough?

Q. And you felt you should be?

A. That is right.

• (1730)

It turns out that the gentleman seems to have been compensated for work he felt he was told to do, not for any active politicking or campaigning.

If the hon. member for Red Deer takes issue with the fact that the case did not proceed to trial, I think he should take that up with the attorney general for Saskatchewan because the decision on whether to proceed to trial is one made by the provincial Crown who decides whether there is enough evidence. This was done notwithstanding that the magistrate at the hearing felt there might be. It is the provincial Crown's responsibility who is the agent of the attorney general of Saskatchewan and who in reviewing the case to see what he had to go on decided there was not enough evidence to proceed to trial. The evidence upon which his whole case might have stood was not there, after hearing cross-examination.

The hon. member for Red Deer said something to the effect of a court hearing that took place that would have been in the nature of something existing in a dictatorship. I find nothing of that in reading through the transcript, and I have been through all but the last few pages of it.

The transcript shows that a hearing took place, that a Crown counsel examined several witnesses, and the defence counsel cross-examined. It is an adversary system. The Crown counsel had the right and did, in a couple of cases, to re-examine witnesses. The court can only make a decision based on what witnesses say. When witnesses contradict themselves, or their testimony does not hold up, that is what a trial system is all about. Those are rights that we have fought for, not only in

this country but in others. We enjoy freedom, democracy, the right to a trial, and the right to be judged by our peers.

The examination of the witness upon whom the Crown in the preliminary hearing based its case, and the evidence which the hon. member for Red Deer seems to have adopted, broke down. It did not stand up. If the hon. member for Red Deer wanted to be fair to the people whose lives and reputations were at stake in that court case, and he wanted to be fair to all his constituents who might read the *Hansard* report of this debate, he might not be so selective in the questions that he pulls from the transcript. He might give those people a chance to read the whole transcript so they can then make up their minds.

Let me review the matter. An RCMP investigation was held into allegations made with respect to the possible misuse of PFAA funds. The case for the Crown consisted mainly of the evidence of one witness, a Mr. Kormendy, who worked as a field inspector for the PFAA out of Westlock, Alberta. As I have explained by reading some questions and answers from the transcript, his evidence during that preliminary hearing broke down, and in fact he extricated the accused from any criminal involvement. Notwithstanding that, the magistrate hearing the preliminary proceedings did order a commital but on review of the transcript of the preliminary hearing, agents of the attorney general for the province of Saskatchewan determined that a stay of proceedings should be entered because there was clearly insufficient evidence remaining on which to convict the accused. All the interested parties were so advised.

To conclude, I turn to the original answer which was given to the hon. member for Red Deer. "I am sorry we are not at liberty—

The Acting Speaker (Mr. Ethier): Order, please. I regret to advise the hon. member that his allotted time has expired.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I think I can complete the sentence which the parliamentary secretary was going to deliver. It is the government's position that they cannot present these papers because the government of Saskatchewan refused to give them up on the grounds that this is a matter before the courts and it is not customary to give up evidence which the RCMP has collected when a citizen is on trial.

If I may, I would like to straighten out a few things. During the election campaign of 1974 certain farmers reported to me what was being said to them by men who they claimed and were, to their knowledge, to be employees of PFAA, which is a government agency. These people are not civil servants but are appointed by the minister, responsible to the minister, and can be fired by the minister. I did not take any action on these statements even though they were of highly improper and unethical political activity. To my knowledge they have never been mentioned in this House. This is one feature of this whole mess which has not been made clear. There are two parts to this problem. One is criminal fraud and one is political fraud.

When I sent word around to some of our people to take note in the event they had witnessed similar types of activities in their areas, several members of parliament reported to me that such was the case. One of them was the hon. member for Red Deer (Mr. Towers), and I can name one or two of the others. When immediately after the election certain things happened that were reported to us, we recognized that they were far beyond us as ordinary members of parliament fighting a political battle, because these things were now in the area of criminal fraud.

I want to make it very clear to the Parliamentary Secretary to the Solicitor General (Mr. Young) that he did not present a true statement of facts here today in relation to this case. He did not mention that every one of those employees of the PFAA had written instructions, signed by the director of PFAA, that under no circumstances were they to do anything of a business-like nature for the PFAA during the election period. They were not to do anything. When an officer is shown those instructions by his own director, that under no circumstances was any member of the PFAA to be allowed to do anything connected with PFAA work during an election period, and then to find someone doing so-called work, as the evidence quoted by the parliamentary secretary indicates and then has the nerve to submit expenses for doing something he was ordered not to do, that in itself is very close to criminal fraud. But when it is found out furthermore, and which the parliamentary secretary never reported, that supervisors immediately above the PFAA inspectors refused to sign those expense sheets because there was no authority for a person to be doing work, these people called the accused and said, "Do not worry, send it in to me and I will sign it." When he signed it, knowing of the existence of the director's written instructions, that is where the criminal fraud took place. He authorized the expenditure of money from the farmers' accounts to these men ostensibly doing business concerning PFA work, and when that is unauthorized, it is criminal fraud.

When the case came up for preliminary hearing the police were quite convinced the evidence they had from several witnesses—and it is very difficult to get witnesses to give evidence against themselves—was strong enough that they had a case and so took it to a preliminary hearing.

If any person reads this transcript of the preliminary hearing and reads the questions by counsel for the Crown and questions put by defence counsel, it is a wonder that the law association of that province did not disbar the bunch of them. We heard the questions by the parliamentary secretary. They were all leading questions. We have evidence of legal representations on both sides, the Crown and defence, not only being incompetent but dangerously close to something even worse, improper action.

● (1740)

I know what the customs are in parliament. You do not present to parliament documents that are in police custody. As the attorney general of Saskatchewan said in his letter, and I quote his words:

—I feel that it would be a breach of a confidence for me to disclose the evidence contained in statements taken by the RCM Police investigators, as these are private communications between the citizen and the police authorities, until such time as the citizen actually testifies in court.

That is the length of the protection. Why has this citizen not made his statement in court? That is what we are asking. When we turned our information over to the attorney general's department and they went in and seized the documents and took photographs of all the ones in the criminal fraud, that was only part of what we were after. The criminal fraud was a small part of the whole fraud. The big fraud was what were they doing politically. That has never been mentioned in this House, nor should it be mentioned until we get it to the proper place, the Standing Committee on Privileges and Elections.

The first steps of the hon. member for Red Deer are obvious. As a good citizen and as a member of parliament, he turned over his information to the attorney general. He turned it over to the criminal fraud squad of the RCMP and we kept our mouths shut, all of us. When the preliminary hearing was held and all these unusually odd questions were asked by lawyers on both sides, the presiding magistrate did not state the whole case should be thrown out by the evidence of Kormendy. That is what the parliamentary secretary said today.

Mr. Young: I didn't say that.

Mr. Hamilton (Qu'Appelle-Moose Mountain): The judge ruled there was a prima facie case and committed them to trial. There is not just one person in this who allegedly did certain things that were wrong. There are several. However, this is the first one to be tried. We are now in a situation where the police are angry because their case was not properly presented by the Crown. Who appoints the Crown prosecutor? It is the attorney general of Saskatchewan. The police are angry at the incompetence of the type of questions asked by defence counsel, and the answers. In spite of all this, the judge committed this man to trial. That answers the parliamentary secretary completely.

The judge who sat there and heard all this, if you want the ordinary layman's language of what was happening in that court, heard all these lies. He said, "There is still criminal fraud here, and I commit the man to trial."

Go back and read the papers, particularly the Regina *Leader-Post*. This was happening to a so-called leading citizen, one of the leading hatchet men of the Liberal party in Saskatchewan, the last dregs of the old Gardiner machine, now the new machine. There was not one mention in the *Leader-Post*.

When I saw mention of this in Canadian Press, the *Globe and Mail*, and other papers across Canada, I contacted the *Leader-Post* and asked why it was not covering this local story. There had been a preliminary hearing for criminal fraud and they said, "Isn't that too bad; we must get somebody on to this."

An hon. Member: Freedom of the press.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

Mr. Hamilton (Qu'Appelle-Moose Mountain): Freedom of the press? It is a part of this whole mess we see across the aisle. When you are corrupt and using the people's money, the farmer's money in this case, to try and win an election, that is beyond criminal fraud. It is a much bigger crime.

Mr. Boulanger: Speak to us about 1958.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I will speak to you about anything, but you speak on your feet in your own time. I know the corruption that goes on in the hon. member's riding. The hon. member for Red Deer is frustrated because he cannot even get back from the province of Saskatchewan the documents that he put into the hands of the police. It is not only the criminal fraud. It is also the question of the political fraud. Let me add a little bit of fact to that.

Why was the director of the PFAA paid $25,000 a year to be director and not allowed into his office for a whole year prior to the election, and this man who is alleged to have committed this criminal fraud ran the organization as a subordinate? He would not let his superior into the office. When this thing hit the fire and the fat began to burn in the fall of 1974, just before Christmas, why were all the girls in the office dismissed? Parliament had voted them their salaries until the end of March. The same great fear was loose out there.

These girls had been appointed to their jobs by Mr. Gardiner, then minister of agriculture, and kept on by succeeding administrations. They did their job for nearly 30 years, close to the time of their pensions, and were suddenly dismissed arbitrarily before Christmas. I would like the evidence for that. It can only be obtained by seeing the papers requested by the hon. member for Red Deer.

I asked questions in the House of the Minister of Agriculture (Mr. Whelan). I had warned his staff years before to watch out, that when the big boy from Saskatchewan moves in you will be holding the bag. I said that he may be the minister in charge of this organization, the PFAA, but he is not running it. It is their organization that is running it. The Minister of Agriculture paid no attention to my warnings. Now he is caught trying to explain in the House why somebody without any authority from his office went in and burned all the records. He said that some of the records were put into the archives, those that were valuable in the criminal fraud case. However, it was not the criminal fraud that was the big issue. It was the political fraud.

As I said earlier, no one has ever mentioned what the political fraud is. We know. The guys who were doing it know. I am sure the government members would like to know. They would like to know what these guys were doing to earn this money for two weeks' work. This will only be cleared up when it is properly before the Standing Committee on Privileges and Elections. We recognize that we will have to wait until the government changes and we can get that committee called.

Meanwhile, let us go back to the real culprit. I was concerned about this and I wrote a letter to the attorney general of Saskatchewan. It is addressed to the Hon. Roy J. Romanow, Q.C., MLA.

An hon. Member: A good man.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Yes, he is a good man working with Otto Lang. I will just read the last paragraph of my letter:

The public is aware of the investigation and the proceedings to date. The information we as members of the opposition had in their possession was turned over to the RCMP. A reading of the transcript of the preliminary hearing and the fact that Buchan was committed for trial by the judge raises questions in our minds as to why the Crown should ask for a stay of proceedings.

When the judge has heard the evidence, you wonder why the trial is not held. Rarely in our jurisprudence does an attorney general ever ask for a stay of proceedings when a judge has ruled there is a prima facie case. You let a judge and jury decide. It only happens as far as I know as a layman when one of the main witnesses dies, or new evidence comes up which changes the whole picture. But here we find the attorney general of Saskatchewan deciding not to go on with this trial in spite of the fact that a judge has ruled there is a case. So I asked him why.

● (1750)

Here is his answer. First of all, he deals with the request for papers. He says they have to be kept private until the citizen has testified. I agree with him. Now we come down to the part where he talks about the reason:

It is the duty of the prosecutor, notwithstanding a committal for trial, to review the evidence after the preliminary hearing to determine whether or not there is in fact a proper case to place before the trial court.

That is what the parliamentary secretary was describing:

The prosecution's allegations in this case were based entirely upon certain statements made by a Mr. John Kormendy, an accomplice—

There, Mr. Speaker, is a phrase which creates a new principle in law—you can't send a man up for trial when the evidence comes from an accomplice; that would be unfair.

Again he says this, in the next paragraph:

Further, a court in trying such a case must direct itself to the legal principle that it is unsafe to convict on the uncorroborated evidence of an accomplice.

This means that if two men rob a bank and the police catch them and one of them turns state's evidence, then according to the attorney general of Saskatchewan the other man cannot be tried if that is the only evidence, because he stands to be convicted on the evidence of an accomplice. How many lawyers have ever heard of that principle? Not many. It is brand new. The attorney general of Saskatchewan is very smart, as the hon. member for Yorkton-Melville (Mr. Nystrom) has pointed out. He is so smart he has coined a new principle—you cannot convict a person if the evidence comes from an accomplice. Well, we are not going to catch and convict many bank robbers if that is to be the rule.

The point I am making is this: what really matters in this whole picture is the fact that a citizen who is alleged to have commited a criminal act, and who was committed to trial by a judge, has not had his trial and has been prevented from going to trial by the attorney general of Saskatchewan. In explanation, the attorney general has offered a new principle of law, namely, that a person cannot be convicted through the evidence of an accomplice, the accomplice being the only witness. The police are angry because there are other accomplices who want to give evidence but they cannot give evidence until trials are held. So I suggest that though in all fairness we cannot, under past precedent, give the papers dealing with the criminal trial to the hon. member for Red Deer—

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

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, we have before us this evening a motion by the hon. member for Red Deer (Mr. Towers) that an order of the House do issue for a copy of the file or files relating to the investigation concerning the Prairie Farm Assistance Act administration. Even with all the good will I bear the hon. member for Red Deer—and it is considerable since we work together on the justice committee—I have to say frankly that I consider this motion an abuse of the time of the House and an abuse of the legal process in Canada.

This matter concerns the administration of justice in the province of Saskatchewan. The hon. member for Qu'appelle-Moose Mountain (Mr. Hamilton) who has just spoken has, indeed, put the emphasis in the right place. He saw he had to contact the attorney general of Saskatchewan with respect to this matter, and he has his reply. If there is any further issue to be taken up, it should not be taken up in this House. It should be in the Saskatchewan legislature or on the hustings in Saskatchewan.

He read excerpts from a letter of reply he has had from the attorney general of that province. I found it a little difficult to tell when the hon. member was reading from the reply and when he was interpolating his own comment, but as far as I could tell what the words of the attorney general of Saskatchewan were, he was not putting the primary emphasis for not proceeding with this case on the fact that this was evidence of an accomplice.

The fact is that the evidence which was given by the witness, Mr. John Kormendy, at the trial was so full of holes that he ended up by exonerating the accused, on one view of the evidence. It was the weakness of the evidence primarily, and only secondarily the fact that he was himself an alleged accomplice, which presumably led the attorney general of Saskatchewan to come to the conclusion he did. I am not here to defend the actions of that attorney general. I think he can well do that for himself, and he should be given the opportunity to do so if this is raised in the proper forum in Saskatchewan rather than here which, I repeat, I believe to be a wholly improper forum for discussing this matter.

I can see that, as a political matter, if there were a government of the same party in Saskatchewan, there might be a suspicion that the motivation of the attorney general was political. But that is not the case here. We are dealing with an attorney general of a New Democratic government of Saskatchewan. For a number of reasons he came to his decisions, and I think there can be no reasons other than legal ones.

Far from having coined a new principle in law, the attorney general is just following the normal practice. Where the evidence is not sufficient, a case is not proceeded with. The judge at the preliminary hearing did not, after all, convict the accused; he merely found a prima facie case which means that he thought there was enough evidence that the case could go on to be decided in full court. Responsibility, nevertheless, rests with the prosecutor to decide whether to proceed. That is a second responsibility and it is different from that of the judge. The decision has been validly made, in my view, and if it has not, it should not be challenged here, it should be challenged in the proper forum.

Mr. Paproski: Question!

Mr. MacGuigan: As to the question of the release of the papers as distinct from what the opposition is trying to do, which is to exploit this situation politically, we discover other legal implications. Historically, the question of the release of information to members in order to enable them to secure factual information about operations of government to carry out their parliamentary duties has been balanced against the equally important need to protect the security of the state and the rights to privacy of its citizens. The right to privacy is very important in this case, Mr. Speaker, because here we are dealing with a police investigation, with papers which were connected to that investigation, Mr. Speaker—

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. The hour appointed for private members' business having expired, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Chrétien that Bill C-37, to amend the statute law relating to income tax, to amend the Canada Pension Plan and to provide other authority for the raising of funds, be read the second time and referred to committee of the whole.

[Mr. MacGuigan.]

The Acting Speaker (Mr. Turner): Order. At five o'clock the hon. member for Winnipeg North (Mr. Orlikow) had the floor.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, at five o'clock I was dealing with the effect corporate tax measures adopted in earlier years had had on our budgets.

Estimates made in 1977 indicated that since 1972 corporate tax burdens had been reduced by about $1 billion to $1.5 billion per year. The last budget reduced corporate tax burdens by about another $200 million a year.

These tax reductions have had the effect of increasing corporate profits and reducing government revenues, with the real result that the government has felt compelled to cut back on a wide range of social services. I do not have the time to enumerate those today, but members of parliament know very well what they are. There is no evidence that these tax reductions have had more than a marginal impact on capital investment or job creation. The C. D. Howe Research Institute, after examining the list of such concessions in Canada in 1976 concluded, and I quote:

> Although Canada has made extensive use of business tax concessions over the years, the question of the usefulness of such measures in achieving the desired goals remains unresolved.

More direct evidence of this fact came to light in 1975 when the Department of Finance surveyed a large number of corporations to see if there had been any impact from the introduction of the accelerated two year write-off for manufacturing and processing equipment in 1972. Of those surveyed, only 32 per cent said that these concessions, estimated to be worth $2.5 billion between 1972 and 1975, had any impact on investment decisions. Only 26 per cent said they would be increasing jobs as a result of these concessions, and only 15 per cent said that they would have any impact on prices.

The most recent study, published in the November-December issue of the Canadian *Tax Journal* concluded, and I quote:

> The effectiveness of investment incentive tax policies in bringing about changes in the over-all level of investment or the timing of investment expenditures is not at all apparent.

One thing that has been apparent is the almost weekly reports of immense profit increases. Bell Canada profits in 1978 came to more than $370 million, an increase of 25 per cent over the previous year. The 1978 profits of Abitibi Paper company more than doubled their 1977 performance. This astounding increase was nearly matched by Algoma Steel, with an increase of almost 90 per cent. Consumers Glass Company did better, with an increase of about 120 per cent in its last year. Profit increases in the 20 per cent to 25 per cent range are too numerous to list here, considering that they are only average, although most workers saw their wages increase at a much slower rate of about 6.4 per cent last year.

The Prime Minister (Mr. Trudeau) said recently that he welcomes the huge profits being reported by most corporations operating in this country. He talks about how those profits can be used to create jobs, but before continuing to praise the profit picture the Prime Minister should consider some exam-

ples of how corporate profits have in fact been used in recent years. Those most favoured friends, the giant pulp and paper companies, have been either playing "Monopoly" with each other or investing in new operations outside the country. MacMillan Bloedel, Domtar, CP Investments, Abitibi, and Prince and Argus Corporation have all been involved in take-over bids for other companies instead of investing their profits in new plants and processes as the Prime Minister and the Minister of Finance (Mr. Chrétien) have talked about.

● (2010)

Despite the high level of profits and world demand, Canadian pulp and paper corporations have refused to replace outdated plants or expand operations in Canada, while at the same time they expand abroad. For example, MacMillan Bloedel has committed itself, along with its partners, to pour some $131 million into a French pulp company over the next three years. It is also involved in a multimillion dollar project to develop Brazilian pulp properties, plus plywood and lumber mills in Malaysia. Domtar spent some $34.5 million to acquire a number of U.S. gypsum and wallboard mills last spring. And it is to these corporations that we are giving over $200 million to help them modernize.

The Prime Minister's assertions about the need for high profits to ensure Canadian investment is revealed as a sham by examination of the record of the government's Export Development Corporation, which is encouraging development elsewhere through guarantees of loans for new plants in other countries, plants which very often compete with Canadian plants and Canadian workers for business and jobs.

Inco benefited from Export Development Corporation loans to help it export jobs to Guatemala and Indonesia. The government's reliance upon across the board tax cuts let this corporation defer $368 million in federal taxes on 1976 and 1977 profits of $1.7 billion, although it eliminated 4,000 full time jobs in Sudbury, Ontario, and Thompson, Manitoba, in just one day in 1977. Indeed, Inco has been able to gather tax cuts and exemptions from the Tory government in Ontario and promises of the same from the Tory government in Manitoba, despite the sorry spectacle of Canadian operations being downgraded in favour of overseas investment.

What is true of the privately-owned corporations is now becoming the policy for publicly-owned corporations like the CDC. That corporation was created by an act passed in Parliament on June 9, 1971. Its purposes were:

(a) . . . assist in the creation or development of business, resources, properties and industries of Canada;

(b) . . . to expand, widen and develop opportunities for Canadians to participate in the economic development of Canada through the application of their skills and capital;

(c) . . . to invest in the shares or securities of any corporation owning property or carrying on business related to the economic interests of Canada; and

(d) . . . to invest in ventures or enterprises including the acquisition of property likely to benefit Canada.

How does this corporation act? CDC, which is owned between 66 per cent and 70 per cent by the federal government, has substantial investment in petrochemicals, mining, venture capital, oil, gas, and health care. CDC companies employ over 20,000 people world-wide. One of these companies, Polysar Limited employs 3,700 workers in the Sarnia, Ontario, operations, but 6,000 people world-wide. The majority of the company's manufacturing subsidies are in Europe or the United States. In 1977 Polysar acquired a 25 per cent interest in a French plastics forming business. Polysar also operates major synthetic rubber plants in both France and Belgium.

Instead of investing money and its know-how in building plants in Canada, which could not only supply the Canadian market but which could sell on the international market, Polysar is investing increasingly its efforts and its money in corporations producing in foreign lands.

Similarly, in health care 1977 saw CDC's Connlab group acquire a quality biological facility in Swiftwater, Pennsylvania. Connlab Holdings Limited also controls 75 per cent of A/S Dumex based in Copenhagen, which in turn employs 700 Danes. Dumex is particularly involved in marketing drugs in developing countries. Recently, Dumex expanded its facilities in Denmark, and the company markets in 40 countries. Dumex completed a new plant in 1977, and a second plant is scheduled for completion in 1978, both of them in Canada.

CDC Oil and Gas acquired a working interest in a major Louisiana property during 1977. Based in Calgary, with a total staff of 130, the Louisiana purchase cost $45 million U.S. and resulted in a 45 per cent interest in 27,000 acres of partially developed land located on the Gulf of Mexico, south west of Lake Charles, Louisiana. U.S. employment in the 14 wells, two drilling rigs and one completion unit, which are scheduled to continue for at least five years, will almost certainly exceed the Canadian based staff. With investment in Canadian oil research and exploration below par, CDC job creation in the United States is inconsistent with Bill C-219's mandate of developing the resources of Canada. The company has also bought a 25 per cent interest in a group evaluating prospects in the western approaches area of offshore Great Britain.

Is it any wonder that we do not get the kind of development which we need in Canada when publicly-owned corporations seem to be more concerned about developments outside Canada than they are in Canada?

That is the situation, and we continue it despite all the evidence that these kinds of policies have created personal suffering and have led to the economic decline resulting from this policy of spending restraints and of tax favours for the well-to-do.

Concern for the kind of economic policies which this government has been following has been expressed by many people, including people who are employed by the government to study the problems which we face. The vice president of the Science Council, Dr. Shepherd, in a recent speech expressed that concern when he said:

It is utterly crucial to any country aspiring to industrial health that it map out and implement a strategy designed to achieve international leadership in this new wave of technology . . . In apparent defiance of its plethora of human and

material resources, Canada has not adequately positioned itself within the new global environment and in relation to the new industrial revolution.

The kind of tinkering in which this government has involved itself will not meet the needs of the Canadian people. We believe that a central approach is essential to provide jobs for all Canadians who need and want to work, to drive down the cost of living, and to cease being, as my leader has said, industrial tenants in our own land. This party has set out definite proposals to deal with the current economic situation and set in motion a restructuring of the Canadian economy.

First, instead of spending millions of dollars each day in a futile effort to prop up the dollar, that money should be invested in gaining a greater degree of Canadian ownership in key sectors of the economy. The prime bank rate should be lowered a whole percentage point, instead of being raised seven times as it was in the last year, in order to stimulate economic growth and reduce inflationary pressures. All future CDC investment should take place in Canada unless a specific investment project can be shown to have long-range Canadian benefit.

Immediate steps must be taken to redirect the current massive Canadian investment abroad. Planning agreements, joint ventures, and specifically applied incentives could keep large sums of money in the country and keep it working for present and future economic health. Large firms must be required to show a net Canadian benefit before they are allowed to invest abroad.

People in my province of Manitoba and in all parts of Canada are feeling the disastrous results of years of the Liberal-Tory economic remedy, which is to cut government spending and cut taxes for the least needy. Their approach has brought the economy to a virtual standstill and now is keeping it there with budgets such as the one of November, 1978. The world's judgment of Liberal-Tory economics is being made daily in the exchange market, and we see the results in the 83-cent dollar. Canada deserves better. It is long overdue for us to start using the country's resources for the benefit of all Canadians by developing a first rate manufacturing base which meets the challenge of the new industrial revolution and provides jobs for Canadians who want to work.

● (2020)

Some hon. Members: Hear, hear!

Mr. Paul E. McRae (Fort William): Mr. Speaker, I am pleased to have an opportunity to speak in the debate on this budget bill, partly because of the events of the last two, three or four days. One event which bothered me considerably in the last four or five days was a poll which was produced by Gallup. It indicated that Canadians did not think the economic affairs of the country were handled as well as they could have been by the government. Therefore I should like to look at the general economy of the country and also at what is happening in the energy field because these matters are related very much to the situation we are in now.

[Mr. Orlikow.]

It is interesting that many Canadians feel this way, and yet many economists feel very differently. When one looks at many of the more important economists in the country and other parts of the world, one will find that they see Canada as a country doing relatively well compared to other countries, and also as doing the correct thing at this particular point. This particular budget is based upon many of these correct things.

If we attempt to understand the position we are in at the present time, it is important to go back over the last ten or 15 years and trace some of the principal points where major changes have occurred. The years 1968-1969 to approximately 1973 was a period of almost unlimited growth for the industrial world. Growth rates of 7, 8 and 9 per cent were being registered all over the world. The feeling was that this would go on forever. Along with many other governments, this government engaged in activities which years before would not be considered acceptable.

The Acting Speaker (Mr. Turner): Order, please. I suggest the hon. members take their conversations behind the curtains. The hon. member for Fort William (Mr. McRae) has the floor.

Mr. Paproski: Right on.

Mr. McRae: Thank you, Mr. Speaker. The government engaged in activities which would not have been possible before this. In other words, we instituted many social security programs and schemes of this nature because we felt unlimited growth was with us. I will deal with that matter when I talk about expenditures and revenue a little later.

An event occurred in 1973 which changed the whole picture of the economies of the industrial world. Of course that was the sudden change in oil pricing brought about by the coming together of oil-producing countries under the heading of OPEC. Within a few months there was a 400 per cent increase in the cost of oil. This single factor perhaps has had more to do with the subsequent years than any other factor in this 15 or 20-year period or since the beginning of World War II.

In the period from 1974 to 1977, immediately after the OPEC increase of 400 per cent in the cost of oil, massive amounts of dollars were drained off to the OPEC countries. Last year alone there were $50 billion from the United States, $2 billion or $3 billion from Canada, and so on. In the years 1974 to 1977 the world went into a recession which was the worst in 40 years, the worst since the big depression. A recession in any country can be considered a period when there is less than a zero growth rate or a negative growth rate. Most of the major countries of the Big Seven experienced periods of recession of at least one year. Canada was the only country among the Big Seven which did not have a single year of actual recession. In other words, it did not experience one year when the growth rate was negative in the period from 1974 to 1977.

As a matter of fact, Canada's growth rate in this crucial recession period averaged 4.1 per cent. During the same period

the U.S. growth was only 2.7 per cent, and it experienced one year of a negative growth rate. Also at that time the 24 OECD countries averaged growth rates of 2.9 per cent. With the exception of Japan, our growth rate was the best. These are factors which we must consider, and they are factors which create some problems. We did not experience the same depth of recession as other countries. Because we did not experience the same recession as the United States, we had some inflationary problems which they did not have to the same degree.

If we look to this year we can see various economic groups are predicting very moderate growth rates among all major countries, the seven summit countries. Just recently a *Newsweek* analyst predicted that Canada would outperform growthwise all of the other Big Seven countries except Japan. Perhaps at some other point it would be worth while to look at the Japanese situation. We could see whether Canadians are really willing and ready to adopt the kinds of measures, policies, and social styles which are being developed by the Japanese.

There is a good deal to be said about the fine performance of our country over this period of time. There was a high growth period from 1965-1966-1967 to approximately 1973. Then there was the major crash or problem caused by the 400 per cent increase in the cost of oil on the part of OPEC countries, followed by a global recession in which Canada probably fared the best of any country. Of course during this period of time there were a couple of very serious problems. One of them was the problem of inflation. It was exacerbated considerably by the fact that we had less recession than most other countries. We had considerably higher growth rates than the United States.

As I mentioned, our growth rate averaged 4.1 per cent over this period as opposed to 2.7 per cent in the United States. This created some very definite and strong inflationary pushes. In spite of a great deal of opposition at an earlier period, this was one of the reasons why the country had to institute some kind of serious anti-inflationary program by 1975. Incidentally, the program was relatively successful. It was not so successful in that the inflation rate was not brought down a great deal—it was brought down two or three percentage points—but it was successful in the sense that the inflation rate might have been a great deal higher. With labour settlements of 22 per cent in the first half of 1975 one could expect a very much greater inflationary period in 1975 and 1976, regardless of what we did in terms of controls. I think it is relatively important to understand that.

● (2030)

The other factor which made it very difficult for us was unemployment, but in spite of that factor we have still experienced an increased growth rate. Perhaps that is because of the initiative this created. Here again I think we are unique as a country. In all of the non-communist world we are unique in that we have had a far larger growth in the labour force than any other country. If one looks at the summit seven, the United States, Japan, France, West Germany, Britain, Italy and Canada, one will see that for every one hundred people in the labour force in 1965, the average in the labour force in 1975 was 109, with the exception of Canada. There was an increase of roughly nine persons per 100 in the labour force over that ten-year period. Canada, on the other hand, had an increase of 46 people per hundred, or a 500 per cent greater increase than the average for those other countries.

Let us take a couple of those countries individually. The United States was the one closest to us with an increase of 28 people per 100 in the labour force in 1965. Countries such as West Germany had a negative increase, or a slight decrease in the labour force.

Such an increase in the labour force as we experienced, I contend, put tremendous pressure on the government to do many things that were inflationary, such as expenditures in respect of job creation and so on, creating in turn very heavy deficits.

In spite of this situation, in regard to employment we have achieved much growth in terms of the number of jobs. This last year we have had by far the largest growth in employment by population of any of the countries to which I refer, and we had an increase last year of over 400,000 new jobs in this country. That is a very remarkable increase.

In spite of that growth in the labour force we are finally getting to the point now, with the increase in the number of jobs, where the situation is beginning to turn in a slightly different direction. It now actually looks like we will have more job growth than we will have growth in the labour market. This is something I think that is just beginning to turn around. For a country that has had that kind of growth rate, larger than that of most other countries with the exception of Japan, we have done quite well. However, this has caused inflationary pressures because we have had more growth than other countries. Those countries were experiencing a recession, but this country, with that kind of growth in the number of new jobs, some 500 per cent higher than in any other country, has done relatively well. This is not a perfect performance, but it is relatively better than in other countries.

In ordinary times, times that we might call normal periods, perhaps the early 1960s or the late 1950s, one could adjust one's economy fairly rapidly. One could throw a couple of billion dollars into the demand side, raise interest rates, create more money, or reduce the money supply, and have some effect. I contend that with the problems facing the world today, with massive increases in energy costs, it is virtually impossible for a government to take simplistic Keynesian actions. Those were very popular, very good and well proven methods, although not always enacted at the right time. They were well proven methods for solving problems, but they have not been possible in this situation because they simply would not work. When the opposition, whether it be NDP or Tory, suggests it could go out and spend two or three more billion dollars and create a two or three-month higher deficit, or something of that order, with the expectation that we would see a massive growth in the economy, it is talking rubbish, given the nature of economic conditions in the world today.

I should like to talk a little bit about government expenditures because this is an area in respect of which I think the public feels perhaps we have been inadequate in the way we have responded to some of the problems facing us. I think it is important to realize that in the period leading up to 1973, or early 1974, we embarked upon a whole series of social security measures, health and welfare measures and so on, which would make it easier for the public, for the poor people and for many Canadians on old age security, to solve their problems. In this way we were giving them a better deal in pensions after retirement, and so on. These were the kinds of things in which governments were engaged. These were legitimate activities, as they are now. These were legitimate measures commensurate with the growth in the economy.

If one takes a look at two curves, that is, the expenditure curve and the revenue curve, one will see that all the way through from 1965 to 1974 the curves ran along parallel. At one time there might have been a slight deficit, and then there might have been a slight surplus but basically speaking the curves were parallel. Then in 1974, and again this has to do with the OPEC situation and the general sort of decline or recession that occurred, the expenditure curve continued on up but the revenue curve went out. That is an extremely important situation, and that is where the deficit problems started.

Incidentally, it might be interesting to note that at that time Mr. Turner in his budget, at the very strong urging of a Conservative opposition, started indexing everything and also started indexing exemptions. This was a large factor in the distortion created between the slope of those curves. In other words, we were indexing old age pensions, family allowances and a whole series of things, and in the opposite direction we were also indexing the exemptions. As a result there was a loss of revenue, and greater expenditure. At this critical time with the OPEC situation, which slowed the growth rate, and a kind of double indexing in both directions, a deficit situation was created. The policies up to that particular point had been good policies, well-formed and well within the means of the country, given the growth rate that was expected. I do not think anyone predicted the kind of changes that occurred in 1973 and early 1974.

When we look at government expenditures I think it is important that we consider how the government spends its money. The largest item is known as transfers. Some 51.7 per cent of all government dollars goes out in the form of transfers, with 22 per cent to persons, 21 per cent to other governments, provincial and municipal, and 8 per cent in terms of subsidies to railways and so on, as well as various consumer subsidies. These add up to 51 per cent, over half the budget of the Government of Canada.

The next item is public debt, which relates to wars and past expenditures. It amounts to 14 per cent of government expenditures. Then we have government operations, accounting for 34 per cent. This includes 3.4 per cent for Crown corporations in the form of subsidies, etc., 8.9 per cent for national defence, and 22 per cent for the rest of the government's operations. Taking the public debt, the servicing of debt, transfers to provinces in the form of pensions, etc., along with government subsidies, we have about 65 per cent of all government expenditures going in that direction. This leaves 35 per cent that the government actually controls, and some of this is not controlled, in the sense that it includes Crown corporations.

• (2040)

When a government has a deficit in the order of $12 billion it has to cut back. It is very difficult unless it cuts back in this major area which takes up to 65 per cent of the expenditures. For example, in cutting back the number of beds in hospitals in cities such as Thunder Bay, the provincial government is reacting to the very large $12 billion deficit of the federal government.

I do not wish to get into this particular aspect of the issue at this point, because it is a debate in itself, but I would mention the fact that I think governments should look at their health services and various other services which they provide, including penitentiaries, and consider whether or not there are simpler and cheaper ways of providing these services. For instance, halfway houses in the area of mental health, as I understand it, cost $30 to $50 per day per patient, whereas the cost per patient in a mental hospital is $150 per day. Chronic bed hospitals, which we need more of in our community, cost about one third of what active bed hospitals cost. These are some of the things we must look at. In other words, what we need is a shift according to the needs of the people rather than many of the institutional costs which we incur.

One factor which is being grossly overlooked by the government and by Canadians in terms of how Canada is doing as an economy—and I was pleased to see the Minister of Finance (Mr. Chrétien) refer to the figures in his speech yesterday—is the national debt and the fact that it has not grown in this country in terms of the gross national product. I would like to explain what I mean, because I think that it is important that Canadians understand this whole business of debt. If, for example, I owe $10,000, then in order to determine my worth and whether I can pay the debt off the person or institution loaning me the money must look at three factors. Of course there is the size of the debt, then there is the size of my assets and, thirdly, my income. It is meaningless to talk about debt unless one talks about it in these terms.

When talking about the debt of the nation, and I think that Canadians are concerned about how much debt this nation is incurring, we must talk about it in terms of these three factors—the size of the debt, the size of one's assets, and one's income. Therefore in measuring a national debt we measure in terms of net debt, as we do personal debts, that is, assets versus liabilities in terms of one's income or gross national product.

If we look at the net national debt as a fraction of the gross national product over the period of the last 20 years, we find that it fluctuates considerably. In 1952 it was in the area of 50 per cent to 51 per cent of the gross national product. In 1962, the last full year that the Conservative party was in power in this country, the gross national debt amounted to 33 per cent of the gross national product. In 1978 the gross national debt

amounted to only 18.9 per cent of the gross national product. In other words, our debt position has improved considerably since 1952. It has even improved considerably since 1962, from 33 per cent in that year to 18.9 per cent in 1978.

The fears Canadians feel for the state of the nation economically would be allayed considerably if they were made more aware of this debt ratio. Looking at the figures I have mentioned, Canadians should feel that as a nation we are doing relatively well.

Another factor which gives Canadians a great deal of concern and tends to create pessimism is the grossly undervalued Canadian dollar. This feeling tends to grow in the country as the dollar declines or stays in the area of 83 cents to 84 cents. If one is looking for a date on which events turn around—and I have referred to the period in 1973 when OPEC oil was increased by approximately 400 per cent—with regard to our devalued Canadian dollar, one must consider November 15, 1976, as the pivotal date when there was a change of government in the province of Quebec. I was in the United States just a few weeks before this event and, as I recall, we were being paid $1.02 or $1.03 for the Canadian dollar. After that date the Canadian dollar declined very rapidly. It did not fall to 85 cents, but to around 90 cents. One of the major single factors which influenced the price of the Canadian dollar on the world market, was the uncertainty as to what would happen to this country should the Lévesque government prevail and should Quebec separate from the rest of Canada.

There are other factors. Some of the concerns, I believe, have been allayed considerably because of our increased productivity and our reduced unit labour costs which have been coming down at a faster rate than most of the other countries in the world. There are many factors which would actually bring the Canadian dollar back closer to 90 cents, but the single unity factor is of prime importance.

On the other hand, one of the big advantages of the lower dollar is that Canada is now able to export to other countries more competitively than it was able to, two, three or four years ago. Canada's trade has increased markedly in the last couple of years primarily due to the fact that we have an 84-cent or 85-cent dollar. Another factor which is not given the consideration I believe it should be given has to do with the Canadian entrepreneur who must sell in competition with imports. This situation has the effect, of course, of creating a 15 per cent tariff on import goods, but I do not think that we have succeeded as well as we might in competing with imports. Certainly the 85-cent dollar means that imports are that much more expensive, and Canadian entrepreneurs should be able to take advantage of that situation.

The reason why we have probably not been as successful in this area is because there is uncertainty as to how long the situation will last. Another factor may be that too many Canadian entrepreneurs are taking a larger than necessary profit instead of pushing for a larger piece of the business. This is something which should be looked into and analysed.

● (2050)

We know quite a bit more about the export side of things than we do about the competition of Canadian entrepreneurs versus importers. This is one of the factors that has had a salutary effect on the region from which I come. I am speaking of Thunder Bay and northwestern Ontario. Thunder Bay has one of the lowest unemployment rates in Canada, although I am never quite sure what the rate is in Thunder Bay. We can never get a good sampling from Statistics Canada because the numbers showing are so small and so we cannot get a good picture of the situation. Northwestern Ontario has a similar situation, except for a few areas like Atikokan. These are mining communities which have different problems.

Because Thunder Bay is a major port from which grain is shipped, the area is more concerned with the export trade. Because of the forest products industry where roughly 90 per cent of the produce from areas surrounding Thunder Bay is exported to the United States, the area is in good shape at the present time. The depressed dollar has been advantageous to the area and is one of the major factors for its relative affluence.

I was in Europe last week with a group of people. We visited with people at NATO and with representatives from the European economic community. Many of us got the impression that Canada relative to most European countries was very well off. We found out that our dollar could buy a great deal more at home than it could abroad. It leads me to believe that if our dollar buys more at home than abroad there is something wrong with the price of the dollar. Either we are not moving our goods as fast as we can, or there is something artificial which is creating some difficulties with the dollar which is not really understood. Basically, Canadians on this trip felt that we were very well off relative to other countries and that basically we are moving in the right direction as far as our economy is concerned. The government and the Minister of Finance should be given credit for this general direction in which we are going.

I would like now to turn to the economy and speak about some of the problems I foresee in the energy area. As I mentioned several times during the course of my speech, the 400 per cent increase in the price of oil since 1973 has had a tremendous effect on the Canadian economy and upon the economies of all countries in the non-communist world. It seems to me that in many ways, while we had this serious dislocation in our economy where $50 billion last year was drained off in the United States for oil and where hundreds of billions of dollars have moved from one part of the world into another part and which have not been funnelled back into the demand side, it has had a bad effect on one hand and a good effect on the other.

The OPEC nations have been telling us that we and they are running out of oil. I am looking at a publication called "Energy Futures for Canadians" which was tabled in the last week or so, which enunciates the concerns we should all feel about global and national energy problems.

I have spoken in this House on many occasions about energy demand and supply. There is no question in my mind that between the years 1985 and 1990 Canada and the rest of the world will have serious problems with respect to oil supplies. The world will run out or have reduced this important resource within the next 20 or 25 years so that we will have to change our lifestyles considerably. Canada has some synthetic oils such as syncrude, and the heavy oils, but basically the world's oil supply, as we know it, will be reduced within the next 25 or 30 years, so we will have to depend to a much greater extent on other forms of energy.

Canada should be looking much more carefully at how we will get along without oil. We have been reminded once again by Iran, one of the OPEC countries, that this problem exists. I do not know how many reminders we must get to realize that we are going to be in trouble. With Iran supplying 10 per cent of the western nations' oil supply which is now cut off, and with yesterday's announcement by Exxon that they would divert 25 per cent of the oil from Venezuela to the United States and other markets which Imperial Oil was getting, we are reminded again of a long-term problem which is rapidly becoming short-term.

I was most upset when we had these revelations about cutbacks that the Leader of the Opposition (Mr. Clark) last night spoke about in Calgary, strongly supporting the very provincial, local views of the premier of the province of Alberta when he talked about the province of Alberta controlling almost totally the oil and energy resources of that wealthy province. The day is going to come when Alberta oil will no longer be there. We may have syncrude and so on. And the day is rapidly approaching when oil will be no longer supplied from Iran, and there will be a shortage of oil coming from Venezuela.

This is not the time for this country to become a group of balkanized provinces, with the resources of this country limited to the people in one province. I think this next election has got to be fought on the basis of whether we will be one country or nine or ten or eleven countries.

Some hon. Members: Hear, hear!

Mr. McRae: The crux of the whole matter, whether we like it or not, will be in the energy area. We have to pool all our resources as a nation. We cannot allow Alberta to control the whole thing. I worry a great deal when the Leader of the Opposition says that each province should control its own resources totally.

We have a long-term problem in this area, Mr. Speaker. All Canadians have to share the nation's wealth and its problems. This country is a cold country in the winter. Its citizens must be supplied with some form of heat for their well-being, so we must ensure that all Canadians are fairly looked after.

In conclusion I would like to say that at a time when there is no simple answer, at a time when most governments of the world face high inflation and high unemployment, problems which cannot be solved by Keynesian methods, by increasing money supply or by increasing demand, at a time when there are massive increases in energy costs, which are prime factors in any industrial state, Canadians should look around them to see that this country has not done that badly. In spite of recession, we have had a growth rate during the last three years perhaps second only to Japan. And to compare the growth rates of Canada and the United States, these were 4.1 versus 2.7. We have done relatively well. During this period we had a 500 per cent greater increase in the labour force than any of these countries. Considering this massive problem alone, Canadians should not be disappointed in our performance. There are no simple answers like there used to be. This government has made some mistakes, as have all governments, but on balance we have done rather well.

• (2100)

I would like to go into the election that will be held some time in the next few months, with Canadians knowing that their economy is in relatively good hands. Their concern today should be where we are going in the future and whether we can solve some of the problems, such as the energy problem, as a total nation, or break up into ten or more countries.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in joining in the debate on the bill before us tonight, Bill C-37, I will speak in relatively non-partisan terms because, the issues that I wish to raise are of such a serious nature that it is time that this House came to its senses. There are three matters in particular that I would like to deal with in connection with Bill C-37. Before doing so, I first want to emphasize that what my colleague from Edmonton West Mr. Lambert) said earlier today and yesterday, I reiterate.

We believe there are portions of Bill C-37 that are good, that should be commended and endorsed by the Canadian public. I refer, for example, to certain incentives that have been given to the petroleum industry in the earnest hope that that industry will once again become more and more a Canadian-owned industry. We endorse that. We endorse various other caretaking changes that have been made by the Minister of Finance (Mr. Chrétien) to streamline the act and, above all, make it more equitable as far as income tax burdens are concerned.

I am not going to speak for long tonight. My first point deals with the provisions in this bill touching on the taxation of small business corporations. Frankly, we find it rather remarkable that the minister has asked us, first in his budget, then in his ways and mean motions, and now in this bill, to accept a concept where the smallest of small businesses will have to bear a higher tax load than those that are not so small. That surely is not equitable. Some of my colleagues will dwell more fully on that.

We are the first to agree that there are loopholes in the existing act. There may have been tax avoidance schemes worked out whereby those that rightfully should be paying higher taxes have been able to avoid those taxes. We on this side of the House say, identify those loopholes and plug them, but whatever you do, do not, through faulty draftsmanship or for other reasons, catch a lot of innocent small business people

who deserve a break as far as income tax is concerned but are going to be denied that break should this bill ever see the life that the Minister of Finance suggests parliament should give it. More about that later.

The second point is that we emphasize that all members of this House should think in a serious way of the implications of what the Minister of Finance is proposing. This is perhaps the first time, certainly in Canadian history, that a minister of finance has proposed that future taxation of this country be handled by regulation. Read the provisions of this bill and you will find that the definition as to who fits in and who does not fit in as a small business is to be defined by regulation. That should be the prerogative of this parliament, not of some civil servant who decides who should be taxed and who should not. More about that later.

Probably the most alarming part of this bill is the last clause. I refer, of course, to clause 70, where the Minister of Finance is asking for power to borrow $10 billion for what he calls public works and general purposes.

I would like to dwell a little on what this government has led us into. The speaker just before me, presumably bucking for a higher role in that caucus, tried to extol the virtues of his government. He took a trip. I take it he stayed at the best hotels in Europe and came away feeling that things are not so bad after all as far as Canada is concerned.

Mr. Boulanger: It is the best in Canada.

Mr. Stevens: I hear for the first time this year from one of the Liberals over there, speaking from his seat, who now tells us it is the best. Perhaps that member will listen to a few facts published by no less than the President of the United States in his economic report to Congress. One of the strange facts about this House is that you often find public information available in Washington concerning the performance of this government and its economy that is literally not available here in Canada.

Some hon. Members: Hear, hear!

Mr. Stevens: Let me point out something to my hon. friend who said he took a trip to Europe and found that things are looking pretty good. Here is what the economic report of the President, transmitted to Congress in January, 1979, has to say about Canada in relation to those European countries.

In table 33 of the report, the annual growth in gross national product per employed worker in major industrial countries is reviewed for the years 1964 to 1978. I am pleased that you are seated, Mr. Speaker, because you are going to be stunned when you hear these figures.

In Japan the real growth between 1964 and 1973 per employed worker was 8.9 per cent. Guess what it was in Canada; 2.4 per cent. In Germany in the same period it was 4.7 per cent, in France 4.5 per cent, in the United Kingdom that this government almost likes to laugh at, 3.2 per cent, and in Italy, 5.4 per cent. Every one of those European countries produced better real growth per worker than Canada.

What about the most recent years, 1974 to 1978? In Japan the real growth was 3.2 per cent. In Canada it was .6 of 1 per cent. Is it any wonder they are a little timorous about going to the electorate because the average voter in Canada senses that his real growth, his real lot, has not gone up the way he anticipated it would. Between 1974 and 1978 the real growth in Germany was 3.3 per cent, France 3 per cent, and the United Kingdom .8 per cent, still slightly above us. Italy was above us as well with 1.1 per cent.

I put that simply as background because when we come to consider this question of borrowing we have to remember that the government's domestic borrowing and its foreign borrowing are an indication of the trouble into which it has led us.

• (2110)

What did the Minister of Finance have to say about these serious subjects when only yesterday he spoke on the bill before us? He took us down to Argentina. He had found in Argentina a country which, he said, was in a situation even worse than we were. He had found a land on the other side of the world, presumably he was standing upside down, where figures showed, he said, that they had done even worse than we had. Well, Mr. Speaker, I have learned to take what the Minister of Finance says with a good deal of caution especially when he speaks without notes, so I took a quick look at the statistics myself and I found, according to the United Nations Statistical Year Book, that in Argentina they have only 2.3 per cent unemployment compared with 6.9 per cent in Canada in the same year. I notice that the Minister of Finance did not deal with levels of unemployment in the two countries. What I am saying is this: he conveniently ignores the obvious figures which show the lack of progress in Canada, preferring to turn to the situation in Argentina or some other country for some small solace.

We are dealing with serious matters tonight, and rather than expressing my own view exclusively I should like to refer to the opinion expressed by a noted economist, Mr. Ralph Sultan, vice-president of the Royal Bank of Canada in Montreal. Writing in this month's *Euromoney* he had this to say:

> Unfortunately, the services side of Canada's current account also put in a record performance in 1978—on the deficit side. The services deficit in 1978 (including interest and dividends paid to foreigners, royalty payments, travel and tourism, shopping and freight charges) went over the $8 billion mark. That left an over-all shortfall in Canada's current account of close to $5 billion.
>
> Since 1970, the size of the merchandize surplus has fluctuated. The services deficit has just got bigger and bigger. And for good reason: Canada has been borrowing and borrowing. When provincial government utilities' financing programs slowed down some 18 months ago, the federal government merely stepped in to fill the gap with its own foreign currency borrowings. Canada's desirable and effective free float policy seems to have been forgotten.

These views are not expressed by a spokesman for my party. They are the views of the senior vice-president of the Royal Bank of Canada, Mr. Sultan, passing comment on his own country. He believes there is no need for Canada to be caught in a vicious circle as is now the case. In his words:

> Canada is caught in a vicious and unnecessary circle. Capital is borrowed abroad to balance the country's international payments. The interest paid on the

borrowed capital swells the services deficit. Canada's current account ends up deeper in the hole. And so on . . .

Thus, for 1979, the Royal Bank estimates Canada's trade surplus at $3.4 billion. But the services deficit will be a whopping $9.4 billion, and Canada's required capital inflows will be well over $5 billion again.

I read that into the record because I think it is very pertinent when we realize that only last night the Minister of Finance told us of yet another foreign borrowing. Hon. members will recall that he announced what he described as further details of the plans of the Government of Canada to raise funds in the Japanese capital market. He stated:

This financing is expected to total Japanese yen 100 billion of which yen 30 billion would be realized through a public offering of five-year bonds and yen 70 billion to be realized through two syndicated loans, one of ten years and the other of 20 years to maturity. The yen proceeds received by Canada would be converted into U.S. dollars and added to Canada's official international reserves.

Let us get this into perspective. It is not long ago that the government borrowed approximately $787 million from the Germans. It was in May of last year. The reason I say it was approximately $787 million is that we actually borrowed DM 1.5 million. At that time the minister said, "Think of the low interest rate we got—it was only 5 per cent." It ranged between 4 per cent and 6 per cent, about 5 per cent on an average. The minister came back saying, "Aren't we lucky?" Do you know what it would cost us, Mr. Speaker, to repay that loan if we were called upon to do so? It would cost the Canadian public $962 million. In addition to the 5 per cent interest we would have to find another $175 million to pay off that loan. Translated into percentage terms it means that if we had to repay that money, the interest charged to Canada would be 35.7 per cent. That is the type of situation into which the government is leading us. They are plunging us increasingly into foreign currency debts without any reserve or hedge which might reflect the eventual level of our currency in relation to the currency we are borrowing.

Put it this way: if we had borrowed from Japan ten years ago the $500 million U.S. the minister announced last night, it would have meant that in 1969 we would have borrowed 166 billion yen. How much do you think it will cost us to repay that loan today, Mr. Speaker? We would need 944 billion yen. To repay that loan, without counting any interest, would represent an increase of 99 per cent over what it originally cost us. That is 99 per cent in ten years.

That is the foreign side, Mr. Speaker. As we know, the Minister of Finance last night also announced the government had begun negotiations with the syndicate of Swiss banks to raise funds in the Swiss capital market through a fixed term bank loan. We do not know the amount. We do not know the rate. The hard fact is that this government is getting desperate and doing desperate things.

Let us not forget that when we are asked to approve a $10 billion borrowing authority, as we are in clause 70 in the bill now before us, it is $10 billion in addition to the $3.8 billion the Minister of Finance told us he still has available in unused borrowing authority as of now. So what he is really requesting us to do is to okay almost $14 billion of borrowing authority.

[Mr. Stevens.]

Today in committee the minister reiterated that he anticipates the cash requirement this year will be $10.25 billion. He mentioned certain other things which I find very interesting. He said he would like to encourage corporations, municipalities and provinces to join in the foreign borrowing. He told us it would help out. In other words, the more he can involve them in whatever currency risks which follow, the more comfort he will have.

● (2120)

Notwithstanding the fact that the Centre for the Study of Inflation and Productivity revealed today that as a result of the minister's policy of a falling dollar we have had one third more inflation in the past two years than we otherwise would have had, the minister startled the committee by telling us that he thought a 6.5 per cent inflation rate in this country is a good record and that, if he could achieve it, he would be quite happy. This is the Minister of Finance speaking not only of the borrowing needs of the nation but also of what he regards as a good level of inflation.

Let me also mention that when the minister went to New York earlier this week he told those listening to him, and I quote; "I also recognize that a current account deficit per se is not a bad thing." How does the minister think world investors must have reacted to that statement, knowing that Canada is the only major industrial nation which has had a current account deficit for five years in succession? In addition, of course, in relation to our gross national product, our current account deficit is higher than that of any other industrialized nation in the world, and the minister has the audacity to go to New York and say that this is not a bad thing.

Having said that, let us put into perspective what we are talking about when we talk in terms of further borrowing authority of $10 billion. We are dealing with the question of debt. Boy, have they ever brainwashed the hon. member for Fort William (McRae)! It is clear that he never went into the library to read the facts. Somebody either told him or he heard somewhere that in relation to our gross national product somehow or other our debt is not high. However, if we check the facts, we find that in fiscal year 1958 debt charges in Canada were slightly under half a billion dollars and that the total budget that year was $4.8 billion. That works out to 9 per cent of the total budget in 1958 going toward debt charges. By 1968 the debt charge had risen to $1.273 billion, and the budget was then $10.284 billion. The rate then was 10 per cent, which was only slightly above the 1958 rate. Debt charges at that time amounted to 10 per cent of the budget. In the fiscal year which is just concluding 14 per cent of federal government spending goes to servicing the debt this government has already put on the books. To be specific, $6.5 billion is the anticipated amount of debt charges this year alone. Translated into average terms, that means this irresponsible government has inflicted upon the average worker in Canada a $14 per week load simply to service the debt which it has run up.

We do not have 1980 figures. All we know is that on budget night we were told that the expenditures anticipated by this government in 1980 would be $51 billion. We do not know on what the government will spend that money. We understand that the estimates will come in on Monday. Wouldn't it be fairer for parliament if the Minister of Finance allowed parliament to deal with the estimates and to see exactly what the President of the Treasury Board (Mr. Buchanan) intends to spend this money on? Would it not be fairer for the Minister of Finance at that point to tell us that he would like to borrow $10 billion? That is not what is being done. What the government is doing tonight is asking us for authority to borrow $10 billion. The government is asking us for a blank cheque and telling us that we will find out what it will spend it on later, if ever. Let there be no doubt that that is not good enough for this party.

On budget night we were told that the government not only anticipates spending $51 billion in fiscal 1980 but that it also anticipates a budgetary deficit of $12.9 billion as a result of that spending. Let us get something into perspective here. Ever since this Minister of Finance took office he has whimpered and whined about his attempts to show restraint and to reduce the deficit. That is straight misrepresentation.

Mr. Chrétien: What about all the promises being made in Vancouver tonight?

Mr. Stevens: Before the minister took office the total federal deficit was $6 billion. Then it went up to $10 billion. In April of last year we were told that the total deficit was $10.9 billion. That was the budgetary figure the minister gave us. In November we were told he had made a mistake. Oops, the minister found another $1.2 billion deficit, and by that time we found that the total deficit was $12.1 billion. Based on the first nine months' statement it looks as if the deficit of a budgetary nature will be well over $13 billion. I notice that the Minister of Finance cannot take the heat. He is now starting to leave the House. The minister anticipates a budgetary deficit of $12.9 billion next year, and he has the audacity to say that he believes in smaller deficits and restraint.

Mr. Boulanger: Even Joe Clark has had enough of you.

Mr. Stevens: Again let us put this into perspective. My friend, the hon. member for Fort William, told us about his trip to Europe. Presumably he got to Germany. I wonder if he asked the Germans what they do about deficits. If he had, he would have found out that, by constitution, the kind of deficit this government is inflicting on the Canadian people is illegal in Germany. The government in Germany cannot borrow for non-capital purposes, but this government proposes to borrow $10 billion for non-capital purposes. Is it just coincidence that we now happen to have 9 per cent inflation and the Germans have less than 3 per cent? No way. The mounting deficits inflicted by this government on the Canadian people are the cause of our inflation.

The reason I rose to speak tonight is that when we project ahead as to where this government is taking us, we see a very terrifying picture. Wood Gundy, the largest investment house in Canada, in its December, 1978, forecast for the years 1978 to 1983 pointed out that based on what is already in position, without the government's changing what it has said, we will have steadily rising deficits between now and 1981. By 1981 the total deficit requirement of this government will be $13 billion. Only then does the deficit begin to drop to $10 billion and eventually to $9 billion in 1983. In short, Wood Gundy figures show that if this government is allowed to carry out its plans, it will require $55 billion of further borrowing simply to service its operations between now and 1983. That compares with $26,523 million which the government ran up in the previous five years, which was the heaviest borrowing we have ever had in Canada in any five-year period.

● (2130)

That is why I am alarmed, because when you translate that, as does Wood Gundy, into what is the cost of servicing that debt, you find that the $6.5 billion costs currently being incurred go up to $10 billion by 1983. That means that if the government is allowed to carry out its plans of high deficits and high spending, the Canadian public will be expected to pay in 1983, $10 billion to service the debt alone. That $10 billion is greater than the entire budget of this country at the federal level when the Prime Minister (Mr. Trudeau) took office.

An hon. Member: Oh, oh!

Mr. Stevens: Mr. Speaker, the parliamentary secretary opposite who speaks sometimes—I understand he was the last in the lot and ended up being Parliamentary Secretary to the Minister of Finance by default—likes to comment about various deficits. I note he does not even sit in his own seat when he makes his comments.

Mr. Boulanger: Where do you stand in relation to Joe Clark, your leader?

Mr. Stevens: My little friend here—

Mr. Boulanger: Little?

Mr. Stevens: —this is the second time I have heard from him this year, and in honour of the occasion I should respond to him a second time. He asked me where I stand in relation to the Leader of the Opposition (Mr. Clark). I stand behind him.

Some hon. Members: Oh, oh!

Mr. Stevens: Because he will be the next prime minister of this country.

Some hon. Members: Hear, hear!

Mr. Stevens: Not only do I stand behind the Leader of the Opposition, but the bulk of the Canadian public are going to stand behind him, and they should be consulted before this bill is passed. That is why I move:

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

"Bill C-37, an act to amend the statute law relating to income tax, to amend the Canada Pension Plan and to provide other authority for the raising of funds, be not now read a second time but that it be read a second time this day six months hence.

Mr. Deputy Speaker: Order, please. I did not pay attention. Who seconded the hon. member's motion?

Mr. Baker (Grenville-Carleton): I did, Mr. Speaker.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Peter Stollery (Spadina): Mr. Speaker, first I want to take a moment to congratulate the Minister of Finance (Mr. Chrétien) who, unlike the hon. member for York-Simcoe (Mr. Stevens), has contributed something over the last couple of years in these difficult economic times. He has contributed something to the economic advance of Canada—

Some hon. Members: Oh, oh!

Mr. Stollery: I notice that hon. members opposite are pretty loud tonight. Perhaps they could grant me the same courtesy that I granted them, but I do not suppose the word "courtesy" is part of their vocabulary. However, I would like to have a moment to say my piece, if the hon. member for Grenville-Carleton (Mr. Baker) does not mind too much.

Mr. Baker (Grenville-Carleton): I do not mind at all.

Mr. Stollery: Thank you. I noticed that when the hon. member for York-Simcoe rose to make his short 40 minute speech, he said he would act in a non-partisan manner. All of us on this side were a little taken aback at that, but we thought we would listen as he gave us his non-partisan economic speech. But as it progressed one could see that we were being treated to the usual mixture of selected facts and phantasies of the hon. member for York-Simcoe. Let me say, particularly for those people who might not have picked it up, that you must not mix something like debt charges and debts and not explain that these are two different things. But we are used to that sort of mixture to which the hon. member for York-Simcoe treated us.

He mentioned that in 1958, rather an interesting date, just after the Conservatives took over from a Liberal administration, the debt charges they inherited from the Liberal administration were very low. The hon. member very conveniently did not mention that in 1962, after four years of a Conservative administration, the Canadian debt was at its highest since World War II; it was 35.4 per cent of our gross national product. After and including the problems in the 1960s, the world-wide problems brought about by the Vietnam war, the energy increases and the various difficulties of absorbing a justifiable demand by the third world for a better standard of living, after all those things, the Liberal government of the day faced the country with a debt, as a percentage of the GNP, of about 17 per cent, less than in 1962 after four years of administration by the party opposite.

Some hon. Members: Hear, hear!

Mr. Stollery: The debt at that time was about 50 per cent less. One must ask the question: is this done to scare the Canadian people? Is this done to frighten Canadians, to make them lose confidence in themselves? Is this the kind of approach taken by a person who only yesterday was touted as the future minister of finance? Is that the kind of reaction he would like to see from the Canadian people to make them lose confidence in their own country?

Mr. Boulanger: Yes, that is their game.

Mr. Stollery: I think that is a rather interesting attitude from a man who, as I said, until yesterday was touted as future minister of finance.

I notice that when the hon. member for Fort William (Mr. McRae) mentioned that he had been in Brussels, he made the rather innocent comment that in his brief experience visiting Europe he found that Canadians live better than most people in Europe. I will return to this a little later. The hon. member for York-Simcoe heaped scorn on anyone who would suggest that Canadians live well, in fact that Canadians live better than anyone else in the world. When the hon. member for York-Simcoe hears someone say that Canada is the greatest in the world and has the highest standard of living, he cannot take it. He must scorn, that is the hon. member's approach.

● (2140)

Some hon. Members: Hear, hear!

Mr. Stollery: Perhaps he scorns because apparently he will not be the minister of finance if his party were to win the next election, which I think will not happen. The hon. member for York-Simcoe said that he would make a non-partisan comment on the economy, and I should like to point out to Canadians that they should not be frightened by the hon. member's scare tactic. They should not lose confidence in their country, and they should listen carefully when bankers talk about the economy. They should keep in mind that bankers are not always correct, that they are not always the best friends of small businessmen, and that they have particular views of economics.

Bankers do not talk about the standard of living of the average man or the statistics which have been referred to by members on this side of the House for so long. Anyone could take a stroll down the main street of any Canadian town and hear the views of small businessmen. We know perfectly well that from 1968 to 1976 personal incomes, wages, salaries, fringe benefits, pensions and investment incomes increased by 72.6 per cent. That increase affects not only the banking community but every Canadian living in any town or city across the country.

Hon. members opposite have been using the situations in other countries to compare with Canada. They have divided

the gross national product by the work forces of countries which have experienced a decline in their work forces. I do not understand why the Conservative party insists on ignoring the fact, for example, that in Japan 2.6 million fewer people are working at the present time than in 1970. Of course the Japanese way of life is perfectly all right for the Japanese. Since the climate of our country is cold, many Canadians go to Florida during the wintertime. Perhaps we are being somewhat irresponsible by spending too much money outside the country, but I am sure Canadians on holiday would not want to follow one of those little red flags, the zaibatsu, which is carried by the Japanese when they are on holiday. Of course most of their holidays are company ones arranged on a co-operative basis, which is perfectly all right for the Japanese.

When hon. members opposite use Japan as a model, perhaps all features of Japanese life should be used equally. For example, what about the fact that in Japan people live in rather small spaces? The Japanese government has not traditionally provided services for its citizens. I am not one of those people who think that a government should not provide services for its people. I think governments should provide for their citizens. Canada should be proud of the fact that many services have been provided for its citizens.

When we are discussing the economics of the 1970s or any other time frame, we should remember what our fathers told us. I was born in the middle of the depression, so I remember only as it ended. Actually the depression did not end until 1947. The type of business one could do was based on one's best three years prior to World War II. This was very difficult in the type of business my family was in. In those days we all had fathers or friends of the family to answer questions. Everything was going well in the 1950s and 1960s, and I am sure hon. members asked questions concerning the cause of the depression. My father used to say, "Look, one thing is for sure. They never knew they had it. They never even started to guess why they had it until it was ten years over. They didn't know, and they won't know when a similar thing happens again."

Mr. Orlikow: They are happening right now.

Mr. Stollery: A depression is not happening right now. A depression means that there is declining growth, which is not happening at the present time. As was indicated earlier, we are experiencing the most difficult decade since the 1930s, for a variety of reasons with which we, as members of parliament, are familiar.

In this type of ongoing discussion, which has taken place for years in the House of Commons, one can follow one of two routes; one can indulge in the hyperbole concerning government spending, or one can take the economic route. I repeat that the percentage of the gross national product which is debt is not as high as it was in 1962. One can indulge in hyperbole and frighten people half to death, or one can gather many books written by economists. Today I went to the library and ordered a copy of the book entitled "General Theory of Employment Interest in Money" which was written by Keynes.

Mr. Orlikow: The Minister of Finance (Mr. Chrétien) can read it as well.

Mr. Stollery: One can read Galbraith or any number of books dealing with economics. I suspect most hon. members have read many of these books. When one reads the various books, one comes to the conclusion that one is not very much the wiser. If one has read 20 books written by 20 different economists, one will discover that they have 20 different approaches. After reading those books, perhaps one is somewhat more informed, but also more confused than before. The important thing is that the government must provide as much as possible for its citizens. If there is a declining growth rate, it should be absorbed as fairly and justly as possible by the citizens, particulary those who cannot protect themselves.

● (2150)

The Conservative party has said clearly through its mortgage tax credit proposal that instead of providing for the poor people, instead of making life easier for those people who are experiencing more difficult times because of the declining growth rate, it is going to make life easier for the rich. That is what the mortgage tax credit proposal means. That party is going to make life easier for the rich. It is going to give them $5 billion. We did not hear tonight about the famous stimulative deficit, but that was to be an $18 billion operation. There was to be $5 billion for the rich. I think it is important that people in Canada understand that different approach, and particularly the Conservative approach which was clearly enunciated during the byelection build-up. It was indicated there was to be an extra $5 billion for the rich. I think that is sinking in now.

An hon. Member: It sunk in during the byelections.

Mr. Stollery: I do not think the people in my constituency, with an average annual income of less than $12,000 and no possibility of getting any of that rich man's $5 billion, will take too kindly to that approach. The hon. member for Don Valley (Mr. Gillies) says one should not compare one's self with people in other parts of the country. We should not use any kind of measuring stick, but just sort of wander around and pluck things out of the air. Everybody knows that things are more difficult now than they were ten years ago. The Conservative party's answer to that is exactly the same as it was in 1930: protect the rich and make sure the poor people suffer. That is the record. There is to be $5 billion in mortgage tax credits for those people with expensive mortgages, but nothing for the people with small mortgages or for those who rent.

An hon. Member: It's too bad you weren't running in the last byelection.

Mr. Stollery: I do not know if the people of Canada have quite cottoned on to that, but they will, particularly when we go through some of the announcements apparently being made today to reinforce this Conservative position of favouring the rich and the well-to-do, favouring those who have and against

those who have not. I think the people of Canada will see through that. The next election may be very interesting.

An hon. Member: It sure will be.

Mr. Stollery: But not in the way hon. members opposite think.

Let me bring one more point to the attention of the House before ten o'clock. I should like to relate what has happened to the value of the dollar, and suggest why it has happened. This is another chestnut being dragged out by the Conservative party. I have looked at the statistics regarding the value of the dollar over the last two and a half years. I got all the statistics for each month, and I did so because of some of the wild things we heard yesterday. No one over there wants to talk about the Parti Québécois, the separatists, or what effect the election of that party has had on the value of our dollar. If you mention the problem we have in this country as a result of one of the provinces with a government that wants to separate, you are practically shouted down for being cynical. We are not supposed to talk about this. My goodness, are we not supposed to realize what happened to the value of the Canadian dollar following the election of that party in Quebec in 1976?

Let me give the House some statistics in relation to the value of the dollar in the past couple of years. In September, October and November of 1976 the value of the Canadian dollar in relation to the U.S. dollar was par or $1.01. No one wants to talk about that fact. Following the Quebec election, the value of our dollar in relation to the U.S. dollar in December, January and February was 98 cents, 98 cents, and 97 cents. In March it dropped to 95 cents. In April, May, and June it was 95 cents, 95 cents, and 94 cents. Nobody wants to talk about that, and nobody wants to admit that perhaps there was a relationship between what happened in November, 1976, and the drop in the value of the Canadian dollar. I suggest that nobody but a fool could fail to understand that relationship.

I do not know anyone in the currency business, but I suppose currency is similar to cheese in that you are not going to keep cheese that has gone bad. Surely you are not going to keep milk that has gone sour. I suggest these people are not going to hold on to Canadian dollars when it looks as though the country is not going to be around much longer. People are not going to do that unless they are crazy. I cannot imagine the gnomes of Zurich and New York, whoever they are, if they really exist, holding on to Canadian money in a crisis situation such as this. I cannot imagine people like that being so stupid.

This opposition has no position in this regard. It is an opposition without position. It has lost its credibility, and that is the reason hon. members do not want to talk about this relationship. They suggest that what happened in November, 1976, had nothing to do with the drop in the value of our dollar. Are they really suggesting that the gnomes of Zurich and New York are going to hold on to hundreds of millions of Canadian dollars knowing there is a possibility that the country may not exist as it is now for much longer? That is just too stupid for imagination, and it is beyond imagination that such a group of individuals could seriously think they could form the government of this country. That is the approach they have taken. They do not want to talk about it. In June, 1977, the value of the dollar dropped to 94 cents.

An hon. Member: Please call it ten o'clock.

Mr. Stollery: In July the value dropped to 94 cents, and in August it dropped to 93 cents. In September it was 93 cents, and in October it dropped to 90 cents. I do not think anyone could take very seriously a group that does not want to talk about this. Let me call it ten o'clock, Mr. Speaker, and continue on Monday.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

VETERANS AFFAIRS—INTRODUCTION OF MEASURES TO IMPROVE PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Monday, February 12, as reported at page 3109 of *Hansard*, I put a question to the Minister of Veterans Affairs (Mr. MacDonald) in these words:

> In view of the fact that there are three or four outstanding items, such as the 48 per cent rule as it affects widows, revising the War Veterans Allowance Act, keeping the disability pension rate in line with the composite wage in the public service and so on, with which it would be desirable to deal before this parliament ends, would the minister do his best to bring before cabinet one or more of these issues so that parliament can deal with them in the name of our veterans before this session ends?

In the few minutes one has in the late show, I can expand only briefly on those four or five items, but I would like to impress upon the Parliamentary Secretary to the Minister of Veterans Affairs (Mr. Parent), who is here tonight to respond on behalf of his minister, that the heart of this question is simply this: are we going to get some veterans legislation before this session ends?

Over the last few days I have been pushed from one minister to another. When I asked the Minister of Veterans Affairs if he would be bringing forth any legislation, his reply was that it depends upon whether there is time. When I asked the government House leader or his deputy to make time for some legislation in the field of veterans affairs, I was told that it is up to the Minister of Veterans Affairs to submit the legislation. Today when I renewed my endeavours with a question to the government House leader, he said that he would be happy to prolong the session to get some of these things done, but since one does not know when the session will end, one does not know what "prolong" means. However, if by that he meant

that there is hope that we will get some legislation respecting veterans affairs in this session, I am very grateful.

I said that I would take a moment or two to expand upon these four or five topics. I need not take the time to develop them fully because my friend and I know the case from A to Z. First, there is the 48 per cent rule. This is becoming of concern to more and more veterans, especially as they get older. It bothers them to realize that in many cases if they die first their widows will not get a pension because their disability pensions are below 48 per cent. That rule simply must be changed.

Then there is the question of an over-all review of the War Veterans Allowance Act. This review has been promised to us repeatedly for the best part of a year. In fact on December 22, 1978, just before Christmas, the minister said in regard to that matter that "it is coming along quite well, and I hope to have something to present sometime in February." We are already in the middle of February, and I hope that that commitment will be carried out.

I also mentioned on Monday the desirability of keeping the 100 per cent disability pension rate in line with the composite salary index in the public service. It was adjusted last year to bring it in line because it had fallen behind, and it is slipping again. It seems to me that we ought to put this on a legislative basis so that we are not required to bring it up to date every three or four years.

A minor item which I had in mind when I asked my question the other day, and which is causing some irritation, is the fact that when the mail is disturbed or delayed at the end of the month certain pension cheques do not arrive on time. This is particularly annoying to veterans because their disability cheques are dated at the end of the month and, therefore, they do not receive them until the end of the month. Certain other cheques, such as old age security cheques, are sent out two or three days ahead of time, but disability cheques are not sent out in advance. I am told that the reason is because disability benefits stop the day a veteran dies. When an old age pensioner dies in the middle of the month the pensions lasts for the rest of the month. If that simple change could be made it would not cost very much and then these cheques could be sent out a little early.

● (2205)

Another main issue of concern to veterans these days, and to the organizations that represent them, is that of domiciliary care which is something that needs to be improved because our veterans are aging.

I have listed five subjects, and the parliamentary secretary cannot deal with them all in three minutes. He does not need to because I have set out the items. What he ought to be able to do, and what will boost his stock tremendously if he will do it tonight, is to assure us that before this session ends, before this parliament is dissolved and before an election is called, there will be legislation introduced on one or more of these items. I say to him that if it is, members of all parties in this House will co-operate and get that legislation through in no time at all.

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I do thank the hon. member for Winnipeg North Centre (Mr. Knowles) again for bringing the problems to the fore with regard to the veterans and the pensions. I am sure the hon. member is well aware that the Minister of Veterans Affairs (Mr. MacDonald) is acutely aware of the problems as they exist now. I am sure the hon. member realizes the minister has tried over the years, and has been very successful in making the lot of veterans through their pensions, and through the pensions of their widows, much better than it was at any time before.

As the minister said to the hon. member in his reply on Monday, the items are under consideration. The review of the War Veterans Allowance Act is nearing completion. The minister expects to receive a report on the outcome of that study shortly. As to whether the legislation will be brought forward depends again, as the hon. member was told today, on the amount of time that we have before the end of the session. There are some other variables.

The team designed to study the legislation has confirmed that the legislation, in parts, and the administration it requires, do not fully provide for the needs of those it seeks to serve. It has been outdated by contemporary social policy. Detailed proposals are currently being developed which will meet the present and future needs of war veterans allowance recipients and their dependants.

I need not remind the hon. member that the subject of providing *pro rata* pensions for widows whose husbands were in receipt of disability pensions of 47 per cent or less has been discussed very often in this House over the years. Indeed this has been brought up by the hon. member for Winnipeg North Centre in the committees that we have sat on together over the last four years. It should be remembered, and I point this out only for the record, that the widow was pensioned whose husband's death occurred during war time or whose death was attributable to his service, and regardless of the degree of disability assessment. The question arises is whether, if death was not in any way attributable to military service, a widow's pension should be paid because of the service connection.

With respect to disability pensions, they were indexed, as the member fairly brought out earlier, on January 1 to reflect changes in the consumer price index. The basic rate for an unmarried 100 per cent pensioner is now $679 a month. In the case of a married 100 per cent pensioner the figure is $849 a month. If he and his wife have two dependent children his pension is increased to over $1,000 a month.

I wish an answer could be given specifically to the question which the hon. member brings up. I can tell him that this whole subject is under review and there is great sympathy on this side of the House with the over-all concept of what we are trying to do with the widows' pensions.

Adjournment Debate

Mr. Knowles (Winnipeg North Centre): We are ready to agree.

● (2210)

[*Translation*]

OFFICIAL LANGUAGES—INQUIRY WHETHER BUDGETARY CUTS WILL AFFECT FUNDS FOR TEACHING OFFICIAL LANGUAGES

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, this brief intervention relates to the federal-provincial agreements providing for the teaching of the official languages in our Canadian educational system. I raised this question in the House on the 25th of October last because I wanted to know the possible impact of the government's budgetary cuts and especially the impact of these cuts on federal-provincial programs on bilingualism in the educational system.

In answer to my question, the minister confirmed that the government had decided upon freezing these payments amounting to $140 million and he promised that he would try convincing the provinces to establish an accountability procedure whereby the public would be made aware of the breakdown of the federal funds provided to the provinces to help them incur the extra expenses required for the teaching of the second language and the teaching of official languages to minority groups.

Incidentally, that was proposed by the B and B commission in 1969 and the Liberal government of the day had been willing to sign agreements with the provinces in order to help them take up that national challenge, namely to allow linguistic minorities whose mother tongue was one of the official languages access to education in their own mother tongue and to allow Canadians of the linguistic majority to learn the second official language in all parts of the country if they so desired.

Mr. Speaker, as present agreements end before March 31, 1979 and as it is urgent that those agreements be signed in order for us to have the assurance that the provinces will continue to ensure the education of the minority groups and the teaching of the second language to those who so wish, I feel it is timely tonight to bring up one of the problems that seem to be of concern not only to the federal government but also the provinces.

I am thinking here of the question of the accounting, the matter of giving publicly a breakdown of expenditures made by the provinces, so that not only the people of the provinces concerned might know what is going on in their own province, but also all Canadians might be fully aware of the amounts spent on those objectives, namely encouraging and compensating the provinces for the additional expenditures incurred for the teaching of the second language and the education of the minorities. As we know, schooling in Canada is compulsory for all children. So, when talking about schooling expenditures it must be understood that there is no question of the federal government interfering in a provincial jurisdiction; instead, it is a matter for it to try to make up for whatever the provinces may not be expanding with regard to that additional burden. Schools, desks, school buses, teachers, books, those exist for all students in all provinces, and I do not feel that, because I speak French in Ontario, I am a greater burden to the province than is the other guy who speaks English. So, in all fairness, both would be entitled to the same education, and that is what we are striving for. The agreements seem to be bogged down, Mr. Speaker, on the question of giving a public breakdown of the accounting. The provinces say: It is our jurisdiction, education is our responsibility, therefore the federal government has no right to interfere. We in the federal government do not want to interfere in education which is so essential, so well known in the Canadian context and where the provinces have full authority.

Some provinces or perhaps all of them refuse however to account for those expenditures. The problem is as follows: we, who live in a minority situation, do not have the assurance that those provinces spend the federal funds for the objectives which we think are pursued by the federal government. I think hon. members are aware that for several years we have been asking for access to the books, for public accountability. They refuse saying it is a provincial area of jurisdiction, and we just have to foot the bill, and then they will see how to spend the money.

The problem is that federal funds are transferred to an account called the general accounts of the province, then they are redistributed according to a formula which does not take the federal formula into account because payments are made according to a well established formula, while they are redistributed according to another formula which is sometimes not so well known.

● (2215)

Therefore I consider them as essential because we are just coming out of a period where we received the Pepin-Robarts report, which recommends that Canadians leave to the provinces the obligation to educate minorities in their own area of jurisdiction. Well, Mr. Speaker, I am not one of those who can make an act of faith in that philosophy or that proposal which would give the provinces complete freedom to act without having well established standards or criteria from the federal government to ensure something which, I think, is essential to the life of my country. In other words, wherever one lives in Canada, one would have access to education in his or her own mother tongue. You really treat minorities like simpletons when you try to make them believe everything has now change and that in less than ten years the provinces have earned the right to be trusted after ignoring the problem for years and years.

Mr. Speaker, I would simply like to conclude by saying that these agreements could be multilateral, or national with national criteria, or maybe we should consider bilateral agree-

ments if, as press reports and the minister of education claim, they do not trust the current formulas, let us find new ones, and if we cannot do it generally for all provinces, maybe we should consider entering into bilateral agreements with the provinces that are willing to do so.

Mr. Speaker, this is an urgent matter and we must have the assurance tonight that these programs will continue to be implemented and that the breakdown of accounts will be done openly and publicly so all Canadians can see for themselves and be assured that funds are well spent.

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I thank you, and I thank my colleague from Ottawa-Vanier for his question. I want to assure him sincerely and immediately that we will continue this second language education program in this province. It is not only a question of continuing, Mr. Speaker, but far from rocking the boat with this program, the federal government believes that bilingualism in education in Canada is a matter of great importance.

Even in the next five years, Mr. Speaker, the federal government will spend a minimum of $852 million to teach the second minority language in Canadian schools. And the federal government has already devoted more than $1 billion to provide second language courses in the provinces since we first negotiated and accepted in 1970 to do so in every province.

[*English*]

The present agreement signed with the provinces in March, 1974, made general reference to the importance of full accounting—

● (2220)

[*Translation*]

—as my colleague mentioned, the accounting—

[*English*]

—by provincial governments for the federal funds received. Progress in this regard has varied from province to province. It has been different throughout Canada, but a very considerable amount of information on provincial utilization of these funds has been made available by some provinces. In others progress has been less satisfactory from the federal point of view. Most notably, the province of Quebec has not accounted for the federal formula payment beyond providing information on the numbers of students and the provincial costs of education per pupil, the variables which are utilized in the calculation of the federal payments.

The federal government, therefore, is seeking to obtain a more specific "accounting" under future agreements through new arrangements which will ensure that its funds are being effectively used to develop and implement new initiatives or to help defray the demonstrated additional maintenance costs in each province relating to the provision of education in the minority official language and second official language instruction.

Indeed, the minister stated only yesterday in the House that the dispute or the point of contention between the provinces and the federal government is not basically over amounts of money. The real question will be whether there will be true accountability, not to the federal government—

[*Translation*]

—not to the federal government but to Canadians to make sure that funds granted to the provinces will be used to teach the second language or the minority language in this country.

[*English*]

ENERGY—STEPS TO ENSURE ADEQUATE SUPPLY OF OIL TO EAST COAST REFINERIES

Mr. Howard Crosby (Halifax-East Hants): Mr. Speaker, on February 13 I asked the Minister of Energy, Mines and Resources (Mr. Gillespie) a rather simple and straightforward question, and I naively expected an equally straightforward answer. The pith and substance of my question was the situation with respect to oil supplies to east coast refineries in the light of rumours that these supplies would be cut back.

This question did not come out of the blue. Earlier I had introduced a motion under Standing Order 43 regarding whether cutbacks were likely. The minister had made several statements in the House in response to questions from hon. members on his side, and he had indicated on those occasions, and then again in response to my questions, that he had had negotiations with Mexican authorities with regard to Mexican oil. He also spoke of arrangements with Venezuela. However, he did not deal with the question of cutbacks in supplies of foreign crude oil, which crude oil is necessary for the operations of east coast refineries.

One might have thought as a result of the minister's responses that there indeed was at that point in time no effective cutback of supplies and no need for real concern on the part of residents on the east coast of Canada. However, almost 24 hours later we learned through the media and other sources that there were indeed cutbacks of oil supplies and that this was a very serious problem for east coast refineries. So, I stand here this evening to explain to the House the urgent and pressing nature of the energy problem on the east coast, and particularly in the province of Nova Scotia.

Nova Scotia has the highest energy costs in Canada as a result of the world situation respecting the price of oil. Our government in Nova Scotia failed to take action in the early 1970s when it became evident that the price of oil worldwide would escalate. This in turn goes back to a decision taken years before that Canadian oil would not be available beyond the Ottawa Valley line and, that those on the east coast would have to rely on the availability of foreign crude oil for their domestic needs, and to operate the refineries which were constructed at about that time on the east coast.

The government knew, or must have known, in 1970 that there would be a problem—but nothing was done—just as today the minister must know that there is going to continue to be an energy problem on the east coast arising from the

reduction in the world supply of oil and the difficulties in the Middle East. I wanted to know what the minister has done about it. What he has told the House before and since is that certain arrangements had been made, and he mentioned an oil swap. He said that Canadian oil will be delivered to the central United States in return for their share of foreign crude oil available from the Middle East and other sources. But that oil swap has nothing to do with the minister. He did not take those steps.

● (2225)

Those arrangements were made among the international oil companies without any help or intervention from the minister, I suspect. The fact of the matter is that beyond those long range negotiations and the ordinary course of government activities, he has taken no steps to assure available and adequate supplies of oil for east coast refineries.

I wonder if the minister realizes and recognizes the serious effect of his inaction on the east coast. He has told us that he will get oil from Mexico. We read in the newspapers that the President of the U.S. is in the same place bidding for the same oil stocks. I have to ask: does this mean that we will engage in a Dutch auction with the United States for these dwindling oil stocks? If oil is available, what price are we going to pay for it? Will it be the worldwide price presently established by the OPEC nations, or will it be a premium price? I suspect that we will be paying a great deal more for our oil than we now are, and this in light of the fact, as I said, that in Nova Scotia we are paying one of the highest prices for energy in Canada.

My problem, and I am sure that of all Nova Scotians, is this: Several years ago we were told we would be paying $1 a gallon for gasoline, and many people would not believe it. Today, as a result of the inaction of the minister, we can look forward to paying $2 for a gallon of gasoline unless some immediate action is taken. What immediate action can be taken? The answer is obvious. We must look for alternative sources of energy. We have tremendous coal reserves in Nova Scotia which, if the minister would act now forcefully and quickly, could be developed so that they would be available, because the supply of Middle East oil is dwindling and will be dried up and gone. This is not a stable source, so we should not have to rely on it.

Like most Nova Scotians I am directly affected by this matter which is of prime and grave importance to us. I asked a question the other day in the House concerning the same matter. I wanted to know what action had been taken. I put the question to the Deputy Prime Minister (Mr. MacEachen), who is a great Nova Scotian, and who should know our problem. He preferred to fiddle with problems of parliamentary procedure while the oil refineries on the east coast burned for lack of oil.

[*Translation*]

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I would like at the outset to say to the hon. member that the Minister of Energy, Mines and Resources and Minister of State for Science and Technology (Mr. Gillespie) is very concerned, as is the government, not only since today but since the 1970's about the particular problem caused in eastern Canada by the oil crisis and he is also, if not more, sympathetic to the people of Nova Scotia than the people in all eastern Canada.

Very briefly, Mr. Speaker, I would like to recall certain facts about international crude oil supplies. We know that from October to December last there were sporadic interruptions in crude oil imports from Iran. We also know that since December 26 those imports of Iranian crude have come to a complete standstill. You must remember that Iranian crude oil in the world totalled 5 million barrels a day, or about 10 per cent of supplies in non-communist countries.

To make up for that shortage the other countries agreed to increase their production and crude exports. The present effects, on one hand, of the stoppage of Iranian exports and, on the other of higher exports by other oil-producing countries are basically this: the total amount of available crude in the world dropped by two to three million barrels a day, which is about a 4 to 6 per cent cutback in supply, not yet the critical point set by the international organization of oil-importing countries.

As concerns the situation in eastern Canada, I believe it is wrong to say that the minister and the government have done nothing. Mr. Speaker, if we go back to the events that I mentioned earlier, the crisis of the 70s, we can see all the phases we have gone through, all the steps that the government has taken to correct the situation. In my opinion the most outstanding aspect is that Canada's domestic price is different from the international price. This is because of the existence of a mechanism which allows adjustment of the prices. And we know this adjustment works.

Normally, we used to import 500,000 barrels of oil a day from Iran. We generally import 500,000 barrels a day. Of these 500,000 barrels, 100,000 or 20 per cent came from Iran. Following the reductions, our importers had some success in convincing other international crude suppliers to increase their supplies to offset this deficit.

It is quite obvious, Mr. Speaker, that there are unavoidable delays in exact accounting of the dates of delivery by internationals to Canadian importers. It is also quite obvious—and I believe that this is quite fundamental—that some delays are unavoidable if we are to provide accurate figures on the imports expected by refiners, which information must be communicated to the government.

However, we have seen that the Minister of Energy, Mines and Resources (Mr. Gillespie) did not spare any effort, to arrange for negotiations and to organize the exchange program which the hon. member mentioned, and that we can already feel the effectiveness of these measures.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until 2 p.m. tomorrow.

Motion agreed to and the House adjourned at 10.33 p.m.

HOUSE OF COMMONS

Friday, February 16, 1979

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

CANADIAN NATIONAL RAILWAYS

REQUEST FOR RAIL LINE INTO NORTHERN SASKATCHEWAN WITH RAILHEAD AT PRINCE ALBERT—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity.

In view of the vast mineral discoveries made in northern Saskatchewan, which will require railway transit construction if the fabulous potential for Canada is to be attained, the Canadian National Railways should proceed without further delay to give consideration, in the national interest, to commencing construction of a railroad into these areas, to Lac La Ronge and 100 miles north with the railhead, of course, being in the city of Prince Albert.

Some hon. Members: Hear, hear!

Mr. Speaker: Such a motion for debate at this time, pursuant to Standing Order 43, would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH

LOCATION OF CENTRE FOR OCCUPATIONAL HEALTH AND SAFETY—MOTION UNDER S.O. 43

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity having to do with the implementation of the Centre for Occupational Health and Safety.

Given the fact that the best medical and scientific expertise in occupational health and safety is available in the city of Hamilton, particularly at McMaster University, and given the fact that Hamilton, the industrial heartland of the country, is now, I understand, fourth on the short list, I ask leave to move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the government, in the national interest, gives serious consideration to the establishment of the centre in the city of Hamilton because of the obvious industrial environment and available expertise.

Mr. Speaker: Order, please. The hon. member will realize that this is a direct representation on behalf of his own constituency. As such, I am sure he will agree that that is not the purpose of the provisions of Standing Order 43.

* * *

ENERGY

CALL FOR PETRO-CANADA TO BE SOLE AGENCY FOR IMPORTING OIL—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, yesterday the president of Imperial Oil directly snubbed the twofold request by the Government of Canada that no diversion of Venezuelan oil destined for Canada should take place, and that Imperial Oil establish direct contact with the Venezuelan government rather than operating through its parent, Exxon corporation, in the United States.

This naive move by the Government of Canada and the arrogant rejection of Canadian sovereignty by Imperial Oil are unacceptable. I would therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House asserts that the diversion of Venezuelan oil by the Exxon corporation is not acceptable to the Parliament of Canada and that the government establish immediately Petro-Canada as the sole agency for importing offshore oil into our country.

Some hon. Members: Hear, hear!

Mr. Speaker: The introduction of such a motion for debate at this time, pursuant to Standing Order 43, would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

• (1110)

PUBLIC WORKS

MEASURE TO CONTROL EXCESSIVE SPENDING BY DEPARTMENTS—MOTION UNDER S.O. 43

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Repeatedly over the past 2½ years I have asked the government for a clear indication of whether, and when, the Department of Public Works will be put on a revenue dependent basis so as to cut down on excessive spending by departments. Since the government has continually given vague support, but no substance, to the idea despite the recommendations of the other place and the opposition and a history of studies going back to the Glassco commission, I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the Minister of Public Works make a statement on motions indicating whether the government intends to adopt the "user pays" principle of financing public works, so that the House may have a clear sense of where the government is moving on this issue before it has to deal with yet another set of estimates.

Mr. Speaker: The introduction of such a motion for debate at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

REQUEST FOR INCREASE IN PENSIONS TO COMBAT INFLATION—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 to present a motion of urgent and pressing necessity. Because of the back-breaking rate of inflation, I move, seconded by the hon. member for Churchill (Mr. Smith):

That the government forthwith bring in legislation to provide an amending formula to the basic rate of pension for disabled veterans so that the basic rate would be adjusted to increases in the pay of the five selected categories of public service workers, thereby affording them a minimum insurance against inflation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

EXTERNAL AFFAIRS

COMPENSATION FOR CANADIANS WHOSE PROPERTIES IN RUSSIA ANNEXED BY U.S.S.R.—MOTION UNDER S.O. 43

Mr. Yuri Shymko (Parkdale): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that almost $10 million are raked off every year by the Soviet government from estates of Canadians with relatives in the U.S.S.R., most of it from the disposition of capital from Canadian properties and mortgages, I move, seconded by the hon. member for Eglinton (Mr. Parker):

That this government negotiate with the government of the U.S.S.R. full compensation for any properties formerly owned by Canadians and annexed by the allied Soviet government during and after World War II, and also that any past and future estates left by Soviet citizens be transferred to their surviving relatives in Canada, with appropriate legislation preventing Soviet expropriation by means of forgery, duress and excessive overcharging of 45 per cent of Canadian estates left to surviving relatives on their territory.

Mr. Speaker: Order, please. I think the hon. member will realize, in rereading his motion, that I really cannot put the question unless there is some attempt in the preamble to establish urgency. It is not sufficient that it be an important matter, which this is; it must have some urgency. Since there does not seem to be an element of that urgency, I think I ought not to use this Standing Order to entertain this kind of motion.

* * *

HOUSE OF COMMONS

PROTEST AGAINST PROPOSED INCREASE IN SUBSCRIPTION PRICE OF "HANSARD"—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43 and seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), I move:

That this House notes with regret the decision of the Department of Supply and Services to raise the *Hansard* subscription price from the present rate of $3 per session to $65, and therefore expresses its view that the House of Commons itself should take over the sending out of *Hansard* and should keep the subscription price within a reasonable range so that Canadians will be encouraged to receive and read the actual record of what goes on in parliament.

Mr. Speaker: The presentation of such a motion for debate, pursuant to Standing Order 43, can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1115)

STANDING ORDERS

AMENDMENT TO PROVIDE FOR GRIEVANCE PERIOD—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would ask for the consent of the House to move a motion to provide for a provisional change in the Standing Orders. I would not expect that consent to be given today; however, I hope the motion will form the basis of discussions between my House leader and the government House leader because of the assistance and co-operation I have received from my House leader.

With your consent, Mr. Speaker, I will move the following motion:

That the Standing Orders be amended by adding, for the remainder of the present session, the following:

40A(1) At six o'clock, on any Monday, Tuesday or Thursday, Mr. Speaker may deem that a motion, "that grievances be noted", has been made and seconded, whereupon such motions shall be debatable for one hour.

(2) No member shall be recognized by Mr. Speaker to raise a grievance unless notice of the grievance to be raised has been given to Mr. Speaker by 4 p.m.

(3) The member raising the grievance may speak for not more than five minutes. A minister of the Crown, or a parliamentary secretary speaking on behalf of a minister, or a member directly involved in the grievance raised, if he wishes to do so, may speak for not more than five minutes.

(4) When it is provided in any Standing Order—

Some hon. Members: Order.

Mr. McGrath: I have two more paragraphs, Mr. Speaker.

Mr. Speaker: Order, please. We are in some difficulty by virtue of the very terms of my ruling of a couple of days ago, to which I know the hon. member is directing himself. In my ruling I did indicate that this Standing Order should not be used for procedural matters. In another part of the ruling I indicated that I would welcome any initiative by members of the House to establish a grievance procedure which might improve on the present one.

For the moment, I think I have to stick with the ruling that we should not use this Standing Order to accomplish that purpose; but I certainly hope that further discussions will take place along the lines of the motion now put together by the hon. member, to see whether or not the House might want to take further action in respect of it. I do not think I can be inconsistent in respect of my ruling in allowing him to put his motion in these terms pursuant to this Standing Order.

Mr. McGrath: Mr. Speaker, perhaps you can tell me how I can move it.

Some hon. Members: Oh, oh!

An hon. Member: That is your problem.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ENERGY

PARTIES TO CONTRACT FOR PURCHASE OF VENEZUELAN OIL

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. I should like to remind him of the assurance he gave to the hon. member for Assiniboia earlier this month in which he said, among other things, that Venezuela has been our major supplier, supplying some 40 per cent of our imports. He said he had received personal assurances from Venezuela that those supplies would continue to Canada. Yesterday, the minister also referred to these assurances.

I should like to ask him whether, when he made that statement in the House earlier this month, he knew that the company contracting for these supplies from Venezuela was Exxon, rather than a Canadian company such as Imperial Oil.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Yes, Mr. Speaker, when I was down in Venezuela I raised this matter with the head of Petroleos de Venezuela, the national oil company of Venezuela, and we discussed the contracting relationships which govern the sale of Venezuelan crude to Canada. They pointed out to me that the contractual relationship was with Exxon International, but that they would prefer to deal directly with a Canadian company.

When I got back to Canada I reported to Mr. Armstrong my discussions with Petroleos de Venezuela and the fact that I had received assurances of 200,000 barrels a day. Knowing that Imperial Oil of Canada sources virtually 100 per cent Venezuela, I made it clear to him that I wanted him to establish a direct contracting relationship with Petroleos de Venezuela. I put that request to him, for reasons of public policy, in a letter that was sent to him in January.

Mr. Stanfield: I do not know what answer the minister received, but I can guess. Perhaps I had better ask him whether he received a response from Mr. Armstrong and, if he did not receive a response, what he did about it.

Mr. Gillespie: Mr. Speaker, I have indicated in answers in the House that I have had a number of discussions with Mr. Armstrong. So far they have not been satisfactory to the government. Mr. Armstrong has not yet been able to give me evidence that Imperial Oil has secured permission from its parent corporation to deal directly with Petroleos de Venezuela and to enter into contracting relationships with that corporation.

• (1120)

Mr. Armstrong told me that he raised this matter with his parent company, with Exxon. He indicated that he is hopeful he will be in a position to reply to me within a short period of time, but he has given no specific date. I have made it very

clear to Mr. Armstrong that Canada regards this as a very important matter. I have indicated to him that the exchanges involved which his company is seeking are matters we will have to review against this policy background. Quite clearly, it is a lever; it provides the government with clout in this particular situation and I intend that we should use that clout.

Mr. Stanfield: Mr. Speaker, in view of the uncertainty the minister encountered, in view of the vital concern of the people of Nova Scotia and the maritimes regarding these supplies, and their natural anxiety, and in view of the still doubtful outlook particularly after the first quarter, why did the minister feel he was discharging his duties to the House and to the people in that part of Canada by simply standing up and giving very bland assurances calculated to give the impression that the supplies of oil from Venezuela would continue to flow into eastern Canada in the normal manner? In view of what the minister has told us today, how can he justify having taken this casual, complacent position before the House?

Some hon. Members: Hear, hear!

Mr. Gillespie: Mr. Speaker, as I indicated to the House a moment ago, I had reason to believe that Venezuela wanted to deal directly with Canada. I had no reason to believe that Exxon International would divert supplies from Venezuela, supplies which were destined for Canada.

Mr. Lawrence: You knew.

Mr. Gillespie: As recently as a few days ago I had no reason to believe that that would be done, that they would put western hemisphere crude oil on a worldwide allocation basis. After all, other international companies have not adopted that practice. As I understand it from information I have received, other international companies have allocated only on the basis of Middle Eastern crude oil, but they have not cut back on their western hemisphere crude oil. For example, there has been no allocation or reduction on the part of Shell. Shell Canada is dealing directly with Petroleos de Venezuela, the national oil company of Venezuela.

There has been no cutback between Gulf Canada and the supplies from Venezuela to Canada for Gulf's account, nor has there been any with respect to Texaco: I have been assured of that by the president of Texaco Canada. The situation in which we are dealing with Imperial is a different and unique one. Exxon and Imperial have dealt with this question of reallocation in a different manner than other international companies.

The second thing which is different about the situation is that Imperial sources come exclusively from Venezuela and none of the other companies' do. It is intolerable and unacceptable that our multinational corporations would intervene and decide that 25,000 barrels a day of crude oil, or roughly one-quarter of the crude oil supplies for this company, should be diverted to other markets. More particularly, I would have thought the hon. member for Halifax would have been equally concerned about this since his area is more vulnerable than any other part of Canada.

Some hon. Members: Hear, hear!

Mr. Lawrence: What a lot of huffery and puffery.

POSSIBILITY OF SUPPLYING EASTERN CANADA WITH WESTERN CANADIAN OIL

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my supplementary question is directed to the Minister of Energy, Mines and Resources. The matter becomes more confusing as the minister ploughs along. Perhaps he could explain to the House what possible benefits will accrue to either the producing provinces which have surplus producibility, or to the Atlantic provinces which obviously need crude oil supplies, by the government's threat to block any further oil swaps by Imperial Oil Limited?

● (1125)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I think we are in the fortunate position, as I have indicated in the House before, of having surplus producibility in western Canada. The government of Alberta has indicated it is prepared to approve additional liftings of a temporary nature to make up for shortages which are being felt by eastern Canadian refineries. That will be done through the displacement mechanism on a temporary basis. I would expect that these additional liftings in western Canada will be of benefit to and will look after eastern Canadians.

If the hon. member is asking about the threat in respect of Imperial Oil and the concern that might cause to customers in eastern Canada, my answer to him is that if Imperial Oil is not prepared to establish a direct relationship, then it will have to accept the consequences. This is its responsibility to its particular customers, with which it should be concerned. If, as it has said, it has this flexibility to deal worldwide, it should be able to look after them. If it cannot, we are prepared to authorize additional liftings from western Canada to its competitors, and I am sure its competitors will be very pleased to look after that market.

Mr. Mazankowski: That is a very stupid bargaining stance on the part of the federal government. Is the minister saying he is sure there will be sufficient supplies for the Atlantic provinces, either from Venezuela or from western Canada, to meet second quarter requirements and to build up their stocks for next winter?

Mr. Gillespie: Mr. Speaker, I believe the answer, quite clearly, is yes. The Venezuelans have said they are prepared to continue these supplies to Canada. The problem is with Exxon, and I am surprised that the hon. member and his party do not yet understand that. They do not yet understand that and seem to be saying to themselves, "We will let Exxon solve our problems for us."

An hon. Member: You said the problems were solved.

Mr. Gillespie: We are not prepared to let Exxon solve our problems; we are going to solve our own problems.

Mr. Mazankowski: Mr. Speaker, a month or so ago the minister said the problems were solved: he gave us all the assurances, and now he is backtracking, changing his position.

ESTABLISHMENT OF PETRO-CANADA AS EXCLUSIVE IMPORTER OF OIL

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to turn the minister's words right around. It is the Government of Canada that is saying Exxon is going to solve our problems; that is the whole negotiating stance of the government.

In view of the fact that the minister does not have to wait for that letter from Mr. Armstrong, since he got his answer from the press conference yesterday in which Mr. Armstrong flatly turned down the two requests—one that the corporation deal directly with Venezuela, and the other that they fully restore our quotas—in addition to which Mr. Armstrong said at his press conference that they are going to continue to deal with Exxon and not directly with the government of Venezuela, considering that Imperial Oil took that position yesterday and that Shell, Gulf or Texaco might take it next month or the month after that, will the government not recognize that this is the normal economic performance of the multionationals and, therefore, immediately establish the Canadian corporation, namely, PetroCan, as the exclusive importer of oil into this country?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I have already indicated that a number of multinational corporations, especially the Canadian operators, are dealing directly with the national oil company of Venezuela and that they have established a commercial relationship. I hope and expect that Imperial will do the same thing.

PetroCan has also initiated discussions with Petroleos de Venezuela; it has already had a number of discussions in respect of the sourcing of crude for Canadians, more particularly for eastern Canadians who are affected by the shortage at the present time. I cannot as yet announce what the outcome of these discussions will be, but clearly Petro-Canada is in the field right now seeking a contracting relationship with Petroleos de Venezuela in the same way it is negotiating with Pemex, the national oil company of Mexico.

● (1130)

Mr. Broadbent: Mr. Speaker, the minister, once again, in the first part of his answer—to which I listened with care—reasserted his faith that Exxon would do what the Government of Canada wants it to do. I do not know what the foundation of that faith is. The minister is like a man on the Titanic saying, just before the ship goes down, "Pass me another glass of sherry; everything is going to be fine."

Mr. MacEachen: What's wrong with beer?

Mr. Broadbent: There is no reason for us to believe that. Given the expressed desire of the government of Venezuela to deal directly on a government-to-government basis, which I confirmed as recently as this morning, and the need for Canadians in Atlantic Canada and Quebec to have an assured supply of oil in the future, I repeat, why does the government not make Petro-Canada the exclusive importer of oil into this country?

Mr. Gillespie: Mr. Speaker, I believe that Petro-Canada has made enormous progress in the past three years and more particularly the past year.

Mr. Broadbent: Answer the question.

Mr. Gillespie: I wonder, as the hon. member does, about the official opposition and why they would want to dismantle Petro-Canada. I, like him, wonder why the Leader of the Opposition repeatedly says he would dismantle Petro-Canada and destroy this major policy instrument which is aimed at providing security of supply for Canadians.

Mr. Broadbent: Mr. Speaker, the minister knows better than most that we would not have Petro-Canada unless the NDP had forced this government to create it in 1973. He knows better than most the reality of the discussions which took place at that time.

Since Canadians in Atlantic Canada and the province of Quebec do not want to be held up to ransom in the future by multinational companies if they continue to behave in the way these companies behave—I am not criticizing them on this basis, because they are out there to make profits, but if they are set up on a multinational basis they have no allegiance to this country—why does this government not give Petro-Canada the same kind of mandate as companies of its equivalence in Venezuela, Mexico and around the world have, namely, to protect the energy interests of its people?

Mr. Gillespie: Mr. Speaker, that is precisely what the Parliament of Canada and the Government of Canada has done. It has given Petro-Canada that mandate and that is why Petro-Canada is the negotiating instrument for the Government of Canada with Mexico. It is the sole negotiating instrument for 100,000 barrels per day which I hope will replace the equivalent amount that we had been receiving from Iran.

It is also true that Petro-Canada is within the top ten and that it is the second largest natural gas producer in the country.

Mr. Broadbent: Sit down.

Mr. Gillespie: It is probably about number six in oil production. So in terms of security of supply it is very important. I believe there is another important reason, and that is that the creation of Petro-Canada will help to keep the multinationals honest.

Oral Questions

MINISTER'S KNOWLEDGE OF OIL SHIPMENT DIVERSIONS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, it is really hard to see how Petro-Canada or any other state oil company could assist in this mess which the government has nurtured in ten years of neglect.

Some hon. Members: Oh, oh!

Mr. Lawrence: My supplementary question to the Minister of Energy, Mines and Resources—

Mr. Speaker: Order.

Mr. Lawrence: Thank you, sir. I am sure that the minister can understand the feeling on the part of some of us that there is a very obvious contradiction between the private knowledge which the minister had about these diversions and the public face which he has put on in this House about his own actions relating to the supply of Venezuelan crude oil. The minister knows, or should have known, that Imperial Oil—

Mr. Speaker: Order, please. Does the hon. member have a question?

Mr. Lawrence: Yes, I do, sir. Did the minister not appreciate that Imperial Oil was informed by Exxon in January, to the minister's knowledge and to the knowledge of the NEB, that there would be diversions, and that in actual fact a number of those diversions had to be approved by his own agency, his own department and the NEB? At that same time the minister was coming into this House and making public utterances that he had saved the situation by assuring us of Venezuelan supply. How many swaps in January and early February were approved by the NEB, not only for Imperial Oil but for all the eastern refineries?

Mr. Baker (Grenville-Carleton): Right on.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, the hon. member is trying to suggest—

Mr. Lawrence: That you knew; that is what I am suggesting.

Mr. Gillespie: —that this had been developing for some period of time and that I was aware of the facts. The hon. member has obviously made a completely wrong inference.

Mr. Hnatyshyn: We know that you don't know the facts.

Mr. Gillespie: The first time that I learned there would be a diversion of 25 per cent was last Thursday when a delegation from Imperial Oil came to my office. That was the first time the cutback of 25 per cent came to my attention.

Mr. Lawrence: Mr. Speaker, then how could the minister tell us that he and the NEB approved a replacement cargo as early as February 8, which was unloaded at the Dartmouth docks for the Imperial Oil refinery, when that approval would have to have been made many days before so that the arrangements could be made? How could that possibly happen without the knowledge of the minister; and did not the minister then ask himself why that type of diversionary tactic, that type of replacement cargo, was needed?

Mr. Gillespie: Mr. Speaker, the hon. member is talking about two different things. There is the situation of a predictable shortage developing in eastern Canada as a result of the Iranian problem, when all production in that country ceased on December 26—because 20 per cent of the supply comes from Iran. That possibility, probability, problem was known to us and we were taking the necessary action to ensure that exchanges could move in to help out in that situation. What the hon. member is asking, if I understand him correctly, is, when did I know that there would be a 25 per cent reduction—

Mr. Lawrence: When there was going to be a reduction.

Mr. Gillespie: —or diversion on the part of Exxon. I am telling him that the first time I knew about it was when I talked to the Imperial Oil delegation last Thursday and they put some figures in front of me.

Mr. Lawrence: You should have known.

EFFECT OF OIL SHORTAGE ON PRICE OF HOME HEATING FUEL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I think the bottom line of this issue is whether or not people in eastern Canada will find it a little chilly next winter.

I would like to ask the minister what instruments he has in place and at his disposal to ensure that the almost totally unacceptable gap in the cost of electrical energy generated by oil does not get beyond the incomes of individuals in terms of coping with the cost. What assurances can the minister give the House that the high cost of the swapped oil, traded oil or replacement oil will not drive the cost of home heating fuel out of sight and out of the reach of the average person in eastern Canada?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, the western Canada crude will be moving across Canada according to the one-price policy which has been established. As the hon. member knows, Canadians have the advantage of a lower price in international terms as a result of this government's action.

Some hon. Members: Hear, hear!

Mr. Gillespie: I believe the hon. member had some other questions about swapping and I would be very pleased to hear them again.

Mr. Forrestall: Mr. Speaker, the unit cost per 1,000 kilowatt hours for energy in Charlottetown is 60.13, whereas in the rest of the country it is probably around 28 or 30. What assurances does the minister have that this swapped oil, this traded oil or replacement oil—both Iranian and Venezuelan—

will not result in the cost of home heating fuels and gasoline going beyond the capability of an already hard-pressed area economically? How will families be able to pay for fuel oil next winter? Will the costs be going up and, if so, by how much and when?

Mr. Gillespie: Mr. Speaker, yesterday I answered a question about prices. I indicated that Canada had no control over international prices and that prices are established by the producing nations. We cannot affect that. What we can make sure of is that there is no rip-off by those who are importing. That is the role of the Petroleum Compensation Board. There is no way that additional or high spot prices which may have been paid to replace Venezuelan crude at regular prices will be swept in for oil import compensation purposes, establishing a higher rate. We also indicated that CSIP, which is the agency of the Economic Council, will be asked to assist in the monitoring of this possible problem.

● (1140)

I might also indicate to the House, because of the obvious interest in this question, that we will be giving notice today of a bill, an energy supplies emergency act, which will be designed to provide the power to the government so that it can act with authority in the event of any necessity to allocate crude oil supplies or to allocate product. At the moment this seems remote, but if necessary it could implement a rationing program as well. Notice will be given today.

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[*Translation*]

URBAN AFFAIRS

REQUEST FOR STUDY ON POSSIBILITY OF BUILDING BUS LANE ON MERCIER BRIDGE

Mr. Ian Watson (Laprairie): Mr. Speaker, I should like to put a question to the Minister of Public Works and Minister of State for Urban Affairs.

His colleague the Minister of Justice notified the Quebec government on January 26 that $62 million would be available for public transit in Quebec.

Would he confirm that those funds could be earmarked for a feasibility study on the construction of a bus lane on the Mercier bridge. The purpose of that lane would be to provide quick access to public transit vehicles between Châteauguay, the metro station of Angrignon Park to Ville Lasalle and other points on Montreal island.

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I know that the hon. member has been toying with that plan for a long time. It is obviously a very interesting project which should be considered by government authorities. However I remind the hon. member that the agreement of the provincial government is needed in the first place to carry out such a study and such a project.

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[*English*]

ENERGY

INVOKING OF EXISTING LEGISLATION TO SOLVE OIL SHORTAGE PROBLEMS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources?

In view of the fact that when this country was in a similar oil crisis in 1973, the present government which was in office at that time brought down the Petroleum Administration Act, committed itself to storing oil in eastern Canada and to set up the machinery whereby it could appoint an allocations committee to control imports and take that out of the hands of the multinational corporations, why has the minister not been using the powers he already has, rather than talking about some nebulous bill which he is going to bring in?

I want to ask him specifically why he has not set up an allocation committee, of which Petro-Canada would be a member, to take control of imports of oil and for dealing with Venezuela. The minister knows perfectly well that Imperial Oil cannot deal with Venezuela if Exxon tells it that it must not do so. When is the minister going to stop being simply a fall-guy for the oil industry and start acting in the interests of the people of Canada?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, the hon. member referred to the Petroleum Administration Act. That is the act that gives the government of Canada the power to set prices. The hon. member also remembers, as I do, that the official opposition opposed passage of the Petroleum Administration Act. They did not want the Government of Canada to have that power. If they had been successful, Canada today would be paying world prices, not a price significantly below world prices to the advantage of consumers and industry throughout this country.

The hon. member also refers to the allocation powers we had under the emergency supply allocations act. He may also remember that in order to get passage of that important act we had to agree to a sunset clause which was the proposal of the opposition. It goes to show that a sunset clause is not always a very useful provision in an act, because that particular act which gave the power of allocation self-destructed over two years ago.

Mr. Douglas (Nanaimo-Cowichan-The-Islands): Mr. Speaker, I do not need the Minister of Energy, Mines and Resources to tell me about the defects of the Tory party; I am aware of them. I am dealing with the defects of this government which has been in office for 16 years and which made commitments in 1973 and 1974 to give the people of Canada

security of supply and has not been able to deliver; that is what I am dealing with.

I want to ask the minister two short questions. What have they done about their commitment to store oil in this country, particularly in the maritime provinces and Quebec, against the possibility of offshore oil being cut off?

I want to ask also why, when the minister was in Venezuela negotiating with the state oil trading company which has stated repeatedly it wants to deal on a government-to-government basis, he did not at that time arrange for an agreement between Petro-Canada and the state-owned oil company of Venezuela without having any intervention by the multinational corporations.

Mr. Gillespie: Mr. Speaker, the question of oil storage is an important one. It involves more than Canada; it involves the mutual defence interests of Canada and the United States. The United States has shown an interest, through their strategic petroleum reserves program, in three sites in Canada, two in the Strait of Canso area and one in Newfoundland at Wabana. I believe that three submissions have gone forward on these very significant oil storage proposals.

I can assure the hon. member that as far as storage of oil in Canada is concerned, our storage facilities and our oil in storage right now meets our undertakings to the International Energy Agency.

As to the question of the contractual relationship between Petroleos de Venezuela and Petro-Canada, negotiations started at that time between the two companies. There were discussions with respect to supply and there have been more recent ones. A close working relationship has been established between the two corporations. As I indicated yesterday in an answer, they concern very important areas in the development of heavy oils in western Canada and the heavy oils of Venezuela. Without Petro-Canada it would be impossible, as far as I can see, for Canada to interface with the Venezuelan national oil company. Again the point has to be made that the Tories, who would dismantle and destroy Petro-Canada, have nothing to put in its place.

DISTRIBUTION SYSTEMS TO TRANSPORT OIL TO MARITIMES

Mr. James Gillies (Don Valley): A supplementary question, Mr. Speaker. The minister knows that Petro-Canada has not put one barrel of oil in place in Canada. This government has been in power for 16 years, and it knew that OPEC created a crisis.

I want to ask the minister how it is possible, in a country that has enough oil to meet the needs of all its citizens, that the government did not put in place long ago, particularly after OPEC, distribution systems that would get our oil to the maritimes, which we ought to be able to do.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, the official opposition keeps playing the same song. Obviously, they are trying to knock Petro-Canada, trying to put Petro-Canada down for their own party reasons.

I think they have misjudged the situation. They do not understand the security of oil supply question for Canada. Security of supply, the development of heavy oils, exploration in the High Arctic, the hon. member must know that over half of all the exploration in the High Arctic and the offshore last year was undertaken by Petro-Canada. They must know that had it not been for Petro-Canada, we would not have seen the great surge of activity in the heavy oils development of western Canada. These heavy oils will be important in the future for security of supply for Canada. That is also one of the reasons we can move, on a temporary basis, small quantities from western Canada to look after the eastern refineries' situation.

Mr. Gillies: Mr. Speaker, we have not had an energy policy in this country since the days of the Diefenbaker government.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

• (1150)

Mr. Gillies: Mr. Speaker, I am asking the minister the question that every Canadian is asking today. In a country that is producing enough oil internally, domestically, to meet the needs of all Canadians, how is it possible that we do not have a distribution system in this country? After the crisis of OPEC, how is it possible that we are fooling around talking about Venezuela, Petro-Can and Exxon, when we produce all the oil we need in this country and we do not have a system to get it to the Canadian people?

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I think equal attention has to be given to both questions and answers.

Mr. Gillespie: Mr. Speaker, I understand that since the hon. member gave up being the official critic on energy matters, he has not been able to inform himself of the energy situation in Canada. Perhaps he is not to be blamed for his question.

The hon. member made the astounding suggestion that we are producing enough oil to look after all of Canada and the only problem is distribution. I wish that were the case, but it is not. Canada is a net importer of oil. The hon. member does not seem to realize that. He does not seem to understand the security of supply questions facing this country.

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CONSUMER AFFAIRS

INVESTIGATION INTO MISLEADING ADVERTISING RESPECTING LOTTERIES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Minister of Consumer and Corporate

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

Affairs. The Consumers' Association of Canada has been very critical, particularly of Loto Canada with regard to deceptive advertising they allege is taking place in Loto Canada respecting certain matters in connection with the allocation of funds, particularly television advertising, to the effect that the funds are going for amateur sport. The fact is that only $3.7 million of the $225 million goes into amateur sport. Has the minister's department been looking into that matter and what is the result of their investigation?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, my department did look into the ads of different lotteries last year and communicated with them. It brought to their attention some of the rules and regulations with regard to misleading and fraudulent advertising.

Loto Canada, by the way, did change its ads. I cannot recall right now what happened with some of the provincial lotteries. I am not aware of the recent allegations of the Consumers' Association of Canada, but I will be glad to look at them and refer them to our people who are investigating misleading and fraudulent advertising.

Mr. Hnatyshyn: When the minister is looking into these matters, will be also look into the question of whether, in terms of the return to a person buying a ticket from Loto Canada, that person is not being ripped off? The allegation of the Consumers' Association of Canada is that it is a very bad return on a person's money. Even in Las Vegas, at least 95 per cent of the money invested comes back to persons who buy tickets there.

Will the minister look into the whole question of whether there is a reasonable return, and the fact that people who think they will be winners is not the case for most people who invest in this kind of lottery?

Mr. Allmand: Mr. Speaker, last week the hon. member for York West asked me some questions on a similar matter. I agreed to look at the lottery question from the consumer point of view. A unit has already been set up in my department to do that. I will refer to them the question put by the hon. member.

ACTION TAKEN BY COMBINES INVESTIGATION BRANCH IN CASES OF DECEPTIVE ADVERTISING

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. The minister has power under the Combines Investigation Act to investigate and, indeed, lay charges in cases of proven deceptive advertising.

In light of the most recent charges by the Consumers' Association of Canada of deceptive and exploitive advertising, has this matter been referred to the combines investigation branch? Also, can he tell us why he or the combines investigation branch did not lay charges last year when it was discovered that Loto Canada was involved in deceptive advertising of its lottery?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, I pointed out that last year we not only looked at Loto Canada but at all lotteries in Canada, provincial, regional, and so on. If I recall correctly, at that time there was no ruling or decision on the part of the people in the misleading advertising section; it was a grey area. We brought it to the attention of the various lotteries that they must conform with the law and not be misleading in any way. My recollection is that Loto Canada did, in fact, change its advertising to make it conform with the law. I do not know about the provincial lotteries; I will have to check into that. I received these new allegations only recently. I will have to talk to those in the misleading advertising section to see whether this is valid or not.

Mr. McGrath: Is there an investigation under way to measure the impact that lotteries in Canada are having on social, publicly-funded agencies such as United Appeal? It has been said that this represents a tax on the poor and that it is having an impact or effect on social agencies in this country which depend on public funding.

Mr. Allmand: Mr. Speaker, as a result of the initiative last week by the hon. member for York West, a unit was set up in my department to examine that. The hon. member has already sent us some material and I have been in touch with the voluntary organizations group. They are willing to co-operate with us in our studies. We are looking at lotteries from a consumer point of view and will report in due course.

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[*Translation*]

OFFICIAL LANGUAGES

REPORTED CUTBACK IN FUNDS FOR LANGUAGES TRAINING

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is directed to the Secretary of State who said in the House, on February 14 last, with regard to the negotiation for the renewal of the five-year national program of subsidies to the teaching of the official languages that he was asking the provinces to be truly accountable to the citizens of their respective provinces.

I should like to ask the minister whether he did, in fact, make concessions because I thought, first of all, that he intended to ask the provinces to be accountable to the federal authorities and the Parliament of Canada who are called upon to vote funds of over a billion dollars for the next five-year period. Has the minister changed his position in this regard?

Hon. John Roberts (Secretary of State): No, Mr. Speaker, I do not believe I have changed my stand. There are two aspects to the negotiations with the provinces: first, we are insisting on accountability to the citizens of Canada, of every province, as the hon. member indicated so that we can assure the hon. member and the public that the funds spent by the Govern-

ment of Canada and the provinces are in fact used for increasing the teaching of the minority language, the second language, or to make up for the additional expenditures, if any, incurred for an education system in both official languages.

In addition, and this is my second point, we told the provinces that we want to emphasize non formula rather than formula programs to better ensure that accountability, to prove that the funds are really used for the specific goals of the program.

We still insist, therefore, on accountability and not only to the federal government either. What I want is for the public to know what is being done with regard to the problem, and to know that those sums of money are being spent efficiently.

* * *

[*English*]

AIR TRANSPORT

REQUEST FOR REGULAR JET SERVICE INTO WESTERN MANITOBA

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Prime Minister. Now that the right hon. member has experienced, personally, at the Jeux Canada Games the dynamism, Canadianism and friendliness of the people of Brandon and western Manitoba, will he speak to his Minister of Transport and ask him to make the necessary arrangements to have urgently needed, regular jet service into the area, as he promised during the last election campaign in 1974?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do know that Brandon has an air service. I do not believe it is a jet service. I can understand the desire of people to have a more rapid service. I recall that for a period of a few years we discussed with the government of Manitoba a project called, I believe, Skyways which would have permitted cities in Manitoba and Saskatchewan to be linked. That fell through, as I recall it, because the government of Manitoba withdrew from the project.

● (1200)

This being said, I know the Minister of Transport is still interested in ensuring better service and in co-operating with provincial governments to this end. For my part, I would say to the hon. member who represents the area that he is quite right in referring to their friendliness and to their great community spirit, and I am surprised they would want to leave Brandon so rapidly. I think they should be happy to stay there and not increase their links with the outside world.

Some hon. Members: Oh, oh!

[Mr. Roberts.]

PUBLIC WORKS

PROPOSED USE OF LAND AT LONDON, ONTARIO

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Solicitor General. It concerns about 35 acres of land purchased south of London at the cost of some $600,000 to build a new prison there. That is an example of a very costly blunder which the people of Canada should know about.

Is the prison issue in London completely dead, and does the department intend to turn that land back to the Department of Public Works to salvage whatever they can out of it?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, the hon. member knows that about the time I made the announcement related to the changes in the building program, London was included among the institutions which were not going to be built, to realize the cost reductions envisaged as a result of the Prime Minister's announcement of August 1. The land has now been turned over to the Department of Public Works and is part of the inventory of that department.

Mr. McKinley: My next question is directed to the Minister of Public Works. Can the hon. gentleman advise us what will be done with this land, and that the prison issue is indeed dead? The Solicitor General mentioned that it was because of cutbacks, but that was a convenient excuse because they realized after the municipal elections that it was a very unpopular move. What is going to be done with that property?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): I will report to the hon. member next week.

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POINTS OF ORDER

MR. LAWRENCE—ENERGY—ALLEGED MISLEADING STATEMENT BY MINISTER OF ENERGY, MINES AND RESOURCES—NOTICE OF QUESTION OF PRIVILEGE

Mr. Allan Lawrence (Northumberland-Durham): On a point of order, Mr. Speaker. As a result of the question period today, I believe I have a question of privilege relating to statements by the Minister of Energy, Mines and Resources (Mr. Gillespie) which I firmly believe have misled the House as to the extent of his knowledge of when some of these events were known to him. I should like to take the opportunity now of giving you notice that I intend to raise that aspect of his remarks as a question of privilege at some future time, if I have your permission.

MR. BAKER (GRENVILLE-CARLETON)—ENERGY—INQUIRY WHETHER LEGISLATION FORTHCOMING

Mr. Walter Baker (Grenville-Carleton): I rise on a point of order, Mr. Speaker, with respect to an answer given me by the Minister of Energy, Mines and Resources during the question

period. It has to do with his failure to answer a question which is of importance to Canadians, and that is how, after 16 years in office, a country with our supplies should be faced with the position where it cannot supply energy to one part of it. It seems astonishing to most Canadians.

The minister in the course of his answer indicated he intended to give notice of a bill. I think the House should know whether that bill is drafted. If it is drafted, let us see it now. It is not unusual that a minister, if he regards a bill as important, should consult with relation to the terms and conditions of the bill. I think the minister should tell the House, in view of the urgency of the question, whether or not the bill is drafted, and if it is drafted I think he should stand and agree that it would be quite appropriate in these circumstances for all parties to see the bill so that it could be studied before it is dealt with.

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): I propose to put this bill on notice today. The bill is drafted. It will deal with the situation the country may eventually face and it will be available to members before the House is asked to deal with it.

MR. STEVENS—CANADIAN DOLLAR—REQUEST FOR REFERENCE TO STANDING COMMITTEE

Mr. Sinclair Stevens (York-Simcoe): On a further point of order, Mr. Speaker, Your Honour will recall that on February 1, in response to a question and a request put by the Leader of the Opposition (Mr. Clark) for a special reference to the finance committee with respect to the falling dollar, the Prime Minister (Mr. Trudeau) assured us that the Bank Act reference was sufficient to hear not only the governor of the Bank of Canada on that question but any other witnesses. The deputy House leader went further and stated that if any further power was needed for a reference it would be forthcoming. Unfortunately the committee today voted against a hearing of any independent witnesses with respect to the currency matter. Therefore, I should like to ask the House leader whether we may now have the reference to the finance committee so that this serious matter of the falling dollar and the currency question may be rapidly dealt with by the finance committee without further delay.

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): From what the hon. member has already stated, it is clear that the committee already has the power to deal with the question of the Canadian currency and the exchange rate. If the committee did not have that authority it would not have been able to hear the governor of the Bank of Canada and question him for several hours. So obviously the committee has already acted and heard evidence on the question of the exchange rate.

There is no deficiency in the powers of the committee; it is a decision, apparently, by the committee itself that it will not deal further with and call witnesses on this subject. I suggest to the hon. member that the remedy is not through a reference to the committee. The committee is master of its own proceedings and it can decide who it wishes to call as witnesses.

Point of Order—Mr. Nystrom

Mr. Stevens: Perhaps I inadvertently misled the House leader. In short, he missed my point. In today's committee the Liberals, voting en masse, voted through a motion which stated:

> That subject to hearing evidence at its regular meeting on February 16 the committee proceed with "in camera" sessions for the purpose of preparing and submitting a report to the House of Commons on the subject matter of the Bank Act at the earliest possible date; furthermore that there be no interruption to this work other than priority attention that may have to be given to any other references which may be submitted to the committee from the House.

Specifically, what they overruled was a steering committee recommendation last night that further meetings be held for the purpose of hearing independent witnesses concerning the currency question, and that those meetings be held in the coming week. The Liberal members voted that down and said in effect, that until we get a further reference from the House of Commons no such meetings will be held. May we have the reference which has been requested?

Mr. MacEachen: First, I shall not raise a point of order on the hon. member's coming before the House dealing with the proceedings of a committee before the committee has reported. I may do that later because I believe we have frequently fallen into the trap of dealing in this House with matters before a committee. As I understand it, we deal with committee proceedings when a commmittee has reported. I am not raising a formal point of order today but I am serving notice to the hon. member that he had better get his act together and begin to observe the established rules of the House.

The committee itself has demonstrated that it has power to deal with the very subject matter with respect to which the hon. member asks for a reference. In the circumstances, a reference is unnecessary and redundant; it is up to the committee to decide on its own proceedings. It has done so, and it is not now for the House to tell the committee what to do when it has the authority to proceed as it wishes.

● (1210)

Mr. Speaker: Order, Please. I think the hon. member for York-Simcoe (Mr. Stevens) was in order in the first point he raised as to whether a reference might be made. That has to do with the business of the House, and we always endeavour to permit questions by way of points of order as to House business which, of course, is a matter of order.

However, he also dealt with the business before a committee, with proceedings and votes in the committee, and I think in that respect the point that there is a limit as to how far we can go under the guise of discussing House business to interfere with the schedule and the work of any standing committee is well taken. I do not think we can pursue the matter any further on those grounds.

MR. NYSTROM—INQUIRY WHEN BILL C-24 TO BE DEBATED

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a similar point of order to raise with the Deputy Prime Minister (Mr. MacEachen). I notice that yesterday he did not

refer to Bill C-24, which deals with the Two-Price Wheat Act. When will we proceed with that, especially since the government, through order in council, has already stopped paying the money which was previously provided to millers as a bread subsidy? The government stopped paying the subsidy before Christmas through an order in council. When will it bring a bill forward to make legal what it has already done?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not sure whether the hon. member wants the bill to be brought forward and is now indicating his support for it when it is brought forward.

Mr. Nystrom: No.

Mr. MacEachen: If that is the indication, then I will be more sympathetic than I was yesterday about bringing the bill forward at an early date.

MR. BALDWIN—ALLEGED INACCURATE STATEMENT BY MINISTER OF ENERGY, MINES AND RESOURCES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in response to a question today the Minister of Energy, Mines and Resources (Mr. Gillespie) made a very inaccurate statement. I attempted to get the floor to ask another question in order to deal with it. The minister said that the actions of the official opposition prevented the effective operation of energy allocation legislation. The fact is—and I was speaking for my party at the time—that a compromise was worked out between myself and the then minister. The drafting was the drafting of the government, and a clause was put into the bill to protect this country from the actions of a bumbling, stupid and inefficient government.

Mr. Speaker: Order, please. That may have begun as something close to a point of order, but it certainly did not end as one.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Fifth report of Standing Committee on Regulations and Other Statutory Instruments—Mr. Baldwin.

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

[Mr. Nystrom.]

LOTO CANADA ACT

MEASURE TO ESTABLISH

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)) moved for leave to introduce Bill C-41, respecting Loto Canada Inc.

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

* * *

POINTS OF ORDER

MR. McCAIN—REQUEST FOR OPPORTUNITY TO DEBATE FISHERIES AGREEMENT

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I rise on a point of order. On February 14 the Secretary of State for External Affairs (Mr. Jamieson) issued a statement outside the House with respect to the tentative agreement reached between the Government of Canada and the government of the United States regarding fishing privileges on both the east and west coasts. Would the Deputy Prime Minister (Mr. MacEachen) consider giving this House an opportunity to discuss that agreement so that it might assess historic rights and opportunities with respect to fishing versus future opportunities for fishing? This question was signally overlooked in the statement by the Secretary of State for External Affairs. Could this matter be referred to a committee or discussed in the House?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, I will discuss this matter with the Secretary of State for External Affairs (Mr. Jamieson). I believe the minister has been ready from day to day to deal with questions about the fisheries agreement, and I am sure that he would consider carefully what the hon. member has said about an opportunity to provide additional information. I will discuss it with the minister.

MR. BAKER (GRENVILLE-CARLETON)—REQUESTED REFERENCE TO STANDING COMMITTEE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I want to return to an earlier point of order. Perhaps I will raise a new one because I think that you, sir, as the first commoner should understand the extent of the undertaking which was given by the Prime Minister (Mr. Trudeau) in this House with respect to the ability of the committee and members of parliament to deal with the question which was raised again by the hon. member for York-Simcoe (Mr. Stevens) and the understanding which I think the House had, not just with the Prime Minister but also with the deputy government House leader, who answered questions in the House of Commons with respect to the disposition of the government. When the Prime Minister and the deputy government House leader indicate that certain things will be done, I assume that is a representa-

tion that certain things will be done and that they ensure that they will be done. Otherwise, the committee system falls down.

Mr. Speaker, the reason for my raising this with you is that if the committee system does break down because undertakings are not carried out, we have no other recourse but to appeal to the Chair. We can, of course, wait until the committee reports, if the committee ever reports, but we think that Your Honour as first commoner should be interested in this matter.

I want to indicate the extent to which this government went. I put a question on February 1, 1979 with respect to consultation. It was put to the deputy government House leader, who is the Minister of State (Multiculturalism) (Mr. Cafik). I asked whether there might be an undertaking to consult the chairman of the standing committee or the Deputy Prime Minister (Mr. MacEachen) to see whether a reference might be made with regard to the matter I was dealing with. That referred to the exchange in which the Prime Minister was involved earlier in the day in which he said surely there would be no difficulty.

This is what the deputy government House leader said:

I feel confident that the steering committee and the full committee are capable of dealing with this question adequately, but if there is a disposition by the steering committee and the full committee that they do not have the capacity to deal with the questions which they want to bring forward, I am sure that the matter could be dealt with further. However, I have no doubt that they have full and complete power to deal with all the questions hon. members want to put to any witnesses which are relevant to banking in Canada.

The issue certainly was relevant to banking in Canada. The issue was the operation of the central bank. There was a clear representation and understanding that this matter would be dealt with by the steering committee, which it was, and that it would be dealt with so that there would be no obstruction to that examination in the full committee. That was the impression the Prime Minister wanted to leave in the House. In fact, he left the impression with the House that the government would not stand in the way of the full operation of that committee so that members who wanted to question the government and call other witnesses would be unfettered. That has not been lived up to.

Mr. Speaker: Order, please. I have to interrupt the hon. member for Grenville-Carleton (Mr. Baker). The difficulty with this point of order is the same as the difficulty with the point raised by his colleague, the hon. member for York-Simcoe (Mr. Stevens). We begin with a question regarding whether some undertaking was given in the House about sending something to a committee. That may be a question of order for this House, but if that has in any way been reversed or frustrated by an action of the committee, that is a matter within the competence of the committee which I cannot touch, at least not by any procedural means of which I am aware, unless the action of the committee was in itself some transgression of regular practices. Even then, putting it on solid procedural grounds here is very difficult; but the point is that if the hon. member maintains that some undertaking in the House was frustrated by an action of the committee, I do not see how the Chair in any way can intervene in the action of the committee so taken.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I naturally have to abide by your ruling. I was not at the committee but people who were there have told me that the effect of it all was that only government members were able to put questions. I think there is a duty on the chairman of the committee, who is sitting in the House now, to stand up and tell the House whether he will make a specific request for a reference now, because it is obvious that the government is trying to play both sides of the street at the same time.

Mr. Speaker: Order, please. We have now gone quite far from a point of order in terms of the proceedings of the House. We are dealing, in the first place, with the business and the agenda of the committee and the right of the committee to be the master of its own proceedings. In any case, we have now gone beyond the bounds of any point of order in asking for a further dialogue between any member and the chairman of the committee outside the orbit of the question period. I think procedurally the matter has to conclude.

Mr. Paproski: Another Liberal cover-up.

* * *

• (1220)

[*Translation*]

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, the following question will be answered today: No. 951.

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

[*Text*]

OFFICE IN WINNIPEG

Question No. 951—**Mr. Hare:**

Did the government establish an office in Winnipeg for the purpose of Manitoba representation in the Cabinet and, if so, at what cost?

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): No.

[*English*]

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

Some hon. Members: Agreed.

S.O. 26—Mr. Broadbent

MOTIONS TO ADJOURN UNDER S.O. 26

[*English*]

ENERGY

SHORTFALLS IN SUPPLIES OF CRUDE OIL TO EASTERN CANADA

Mr. Speaker: I have received two notices pursuant to Standing Order 26, one from the hon. member for Dartmouth-Halifax East (Mr. Forrestall), and the other one from the hon. member for Oshawa-Whitby (Mr. Broadbent). The notice of the hon. member for Dartmouth-Halifax East was received in my office first, and therefore I will call on him first; I will then call on the hon. member for Oshawa-Whitby.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, pursuant to the notice which was brought to your office earlier this day, and notwithstanding the undertaking by the government House leader with respect to the tabling of legislation today, may I suggest to you, sir, that the evidence is now overwhelming that unless urgent action is taken before the end of this quarter, the country will find itself in the situation whereby eastern provinces will face inevitable shortfalls in crude oil supplies to provincial refineries.

It is therefore essential that the House have the opportunity to discuss the contingent plans in their broadest aspects to meet this immediate crisis. Should you find, sir, that the usual criteria have been met, I would be prepared to proceed under the provisions of Standing Order 26 to move the adjournment of the ordinary business before the House so that the matter of the energy crisis in the supply of oil to eastern Canada can be dealt with.

CUTBACKS IN CANADIAN OIL SUPPLIES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the House under the provisions of Standing Order 26 for the purpose of discussing an important and specific matter requiring urgent consideration, namely, the substantial cutbacks in oil supply to Canadians as a result of the crisis in Iran and the action taken by multinational oil companies, particularly the refusal by the president of Imperial Oil late yesterday afternoon to comply with the two requests specifically made by the Government of Canada, namely, that Canada's full quota of oil from that company should be restored, and that this company should deal directly with Venezuela instead of with the parent Exxon Corporation. Such action maintains the shortages of needed oil and contravenes the sovereignty of Canada as expressed through the will of the Government of Canada.

Having moved that motion, I would only add what has been said about the government's intention to introduce the bill, which, in my judgment pertains not at all to the questions that I have raised about the disregard of the multinational corporations of the express wishes of the Government of Canada.

[Mr. Speaker.]

Mr. Speaker: Order, please. Both members, as I have indicated, gave me notice this morning of their intention to make this application pursuant to Standing Order 26, and I have to say to them that with my understanding of the purpose of Standing Order 26, as I have said on previous occasions, it always gives the Chair great difficulty to try to resolve these matters and in particular to define whether or not the particular problem which is addressed is of a sufficiently critical or emergent nature to warrant its consideration under this particular Standing Order.

In respect of this particular subject, I would at least be driven to the point of saying that since this matter involves something which is of national scope, it would certainly qualify under those circumstances; and indeed since all parties, under intensive questioning in the last day or two, particularly today, have indicated the very serious nature of the problem, both in the questions today and in the answers given by the minister as to the extent of the problem and the extent of the risk or threat that is involved if the failure to co-operate with the Canadian government's demands goes on, it would seem, on the face of it, to fit the use of the Standing Order.

In the end I have to come to a conclusion, as I have in the past, on two points. The first is that when this House debates Standing Order 26 motions it always debates something of immediate relevance, and I think it is important for the House to do that. Presumably that is the reason for the rule to be on the books, and I do not think we should interpret it so strictly that we can never take advantage of it, otherwise we should take it off the books.

The second point is that in a situation of this sort, when I am left in doubt, I do not see any reasons why I should not resolve that doubt in favour of those who are applying, and I say this freely, particularly so when more than one member makes the application at the same time and when they come from different political parties. This is again an indication of the seriousness with which this matter should be considered.

In these circumstances I am also impressed by answers of the minister which indicate that the government, too, wants it known that it takes this matter very seriously. That was the tenor of the answers given by the minister today. Therefore, it might be helpful to have it known that the House also does take the matter seriously, and therefore it would seem to me to be a useful application of Standing Order 26. That might give some indication of my intention on coming into the House today.

However, the Chair does face a problem in trying to decide whether the situation is an emergency or crisis, because that seems to be somewhat in dispute. I am in great difficulty because of the rapidly developing events. I think likely I would have taken advantage of the provisions of the Standing Order which would have allowed me to set aside some time on the next sitting day, which would have been Monday. I might also have tried to appeal to the House in that some of the strictures of the rule leave me in difficulty. I am not entitled to ask for a debate on whether I should invoke Standing Order 26, nor am I entitled to defer my decision, I have to give today. That is the

language of the Standing Order and I think it is appropriate language if the situation is critical. So I think the House understands what I was going to do on coming to the House today.

However, subparagraph (5) of Standing Order 26 provides, as I think hon. members know, that in making my decision under the Standing Order I must have regard to whether or not there would be an opportunity to debate the problem in some other way. If nothing else, the announcement by the minister that he intends to give the House notice of a bill having to do with this subject raises the possibility. I do not know and I have no way of knowing, but the House leader has given an indication, as has the Minister of Energy, Mines and Resources (Mr. Gillespie), that notice of the bill will be given and that it relates to the subject.

Therefore, I am doing the only thing I can do under the circumstances, and that is to set the applications aside today. But I want to say that I do so—and I think the House should co-operate with me in this although I have no procedural way to ensure it—reserving the right of the two hon. members who have involved themselves in this important question to replace the motions, if they wish, at another sitting of the House, after the House has been able to acquaint itself, first, with the terms of the bill, the subject matter it addresses, the scope it provides for debate, and second, with when that debate will take place. These are the two questions we will want answered.

If the bill gives an opportunity to debate the subject in a fulsome way, I will set the applications aside, and therefore I think I should just leave it to the two members. I set them aside today because I have to—I cannot reserve them or defer them. I do that under those circumstances, and I leave it to the House to deal with once it has been better acquainted with the content of the bill and with the timing that that debate may have.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. I would say that that ruling is appropriate for the moment, and whether or not I believe that to be the case would not make any difference because that is the ruling. I just wanted you to know that I think it is appropriate.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): What would be perhaps helpful, since the government House leader has indicated to me that the bill is now drafted and since it is important that the bill be proceeded with today, if he does not have it with him now or if there is any difficulty in handling it, I would like him to know, through you, sir, that we would be prepared to consent a little later, before or after the luncheon adjournment, to revert to introduction of bills so that the bill can be introduced and the kind of discussion you indicated would be appropriate could begin. I suppose that the best way to begin that discussion is to have the parties see the bill, either now, since it is ready, or as it is introduced later in the day.

I want you to know, sir, that we are prepared to agree to go back to introduction of bills later in the day, if that should be necessary, and waive notice, if that is necessary, if the government are prepared to go ahead as they said they were today.

● (1230)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I should like to make it clear that we would agree to the waiving of any rules which might be necessary for introduction of this bill today. Perhaps we should reserve until we have seen the bill, but if it is a useful one we would be prepared to start the debate on second reading as well.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, dealing with the matter of Your Honour giving further consideration to this issue, I wonder if I could be so bold as to suggest, keeping in mind the mere fact the government has put legislation on the order paper, or will put it on by Monday, that this is no guarantee as to when the government will proceed with it. Any agreement reached ought to include proceeding with that legislation or allowing the emergency debate.

The entire question is not just the bill which the government will be bringing down giving them new powers, but the extent to which the government has failed to use the powers it already has. That is one of the reasons we want this debate as quickly as possible.

Mr. Broadbent: Mr. Speaker, I notice the Minister of Energy, Mines and Resources (Mr. Gillespie) is still sitting there with his contented smile in the middle of this crisis. I am sure he will become excited one of these days. If he will not, perhaps the Deputy Prime Minister and President of the Privy Council (Mr. MacEachen) will give us some indication at this point, from the government's perspective, that it would be agreeable to bring forward the bill this afternoon, having had an indication from the opposition parties that we take the matter very seriously and would like prompt action. Would the Deputy Prime Minister agree to waiving the rules and bringing forward the bill so that we may have a look at it? In the same context on behalf of the government, would the Deputy Prime Minister state not only that the bill will be introduced soon, but that the debate on it will take place on Monday at the latest?

Mr. MacEachen: Mr. Speaker, earlier I indicated to the House that it was my intention to give notice of this bill today, and that in the normal course it would be given first reading on Monday. Hon. members have asked to see the bill today and whether we could begin its discussion. I do not think it would be reasonable to expect the House to begin the discussion of the bill today. The hon. member for Grenville-Carleton (Mr. Baker) suggested earlier that his party wanted to study it before dealing with it. I will investigate whether it will be possible to give it first reading today and have the bill made available.

Mr. Baker (Grenville-Carleton): Good.

Mr. MacEachen: Perhaps the terms of the bill are familiar to hon. members, but there is one difficulty. Yesterday, I

chaired a meeting which approved this bill and certain changes were made in cabinet committee. I am not sure whether the bill has been reprinted with the changes. If I find it has been, or it can be reprinted before the end of the day, I will consider asking for leave to give it first reading.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION ACT, 1978

DEPARTMENTS AND AGENCIES

The House resumed from Thursday, January 25, consideration of the motion of Mr. MacEachen (for Mr. Trudeau) that Bill C-35, respecting the organization of the Government of Canada and matters related or incidental thereto, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. John C. Crosbie (St. John's West): Mr. Speaker, one of the main features of this bill deals with the new department of fisheries and the environment. I want to take this opportunity to speak on fisheries matters.

We have just seen a fine display by our fin-feathered friends across the House. Now I want to go into fishery policy in Canada and what are some of the problems. First I should like to point out what everybody already knows. The statistics I have already prove that we have a great growth rate today in the fishing industry. For the 11 months of 1978 to the end of November, the total fish catch was up 18 per cent in volume and 45 per cent in value, a tremendous increase. The landed value was up from $237 million in 1977 to $344 million in 1978. So there has been an increase in volume and a tremendous increase in value.

However, we have to be cautious. The fishing industry has always been a cyclical one. It has always had its ups and its downs; it has always had its three or four good years and then has its three or four poor years. While things are looking good now, we have got to keep that in mind as we approach the future of the fisheries.

There is no doubt that in the rural areas of Newfoundland today there is comparative prosperity, and certainly compared to ten years ago a tremendous prosperity. The rural areas of Newfoundland are dependent completely on the fishery, just as the rural areas of the rest of Canada are dependent upon agriculture. That brings me to my first point. At the recent constitutional conference, the provinces of Nova Scotia and Newfoundland put forward a position on the fisheries at the meetings leading up to it. At the meetings earlier in the year, the Prime Minister (Mr. Trudeau) agreed that there would be 14 subjects to be discussed by federal ministers preparing for the constitutional conference of last week. He agreed that one of those 14 areas should be fisheries.

Under the British North America Act today, the fisheries is completely under the constitutional jurisdiction of the Government of Canada, inland and coastal fisheries. That is quite clear; everything that happens in the water is under the control of the federal government. The Prime Minister agreed that this should be one of the 14 areas which could be discussed to see if changes were required and whether agreement could be met.

The striking thing at the federal-provincial conference was that the only one of these 14 subjects that the Government of Canada did not put a position forward on, and the only one where they did not have a position paper, was the fisheries. The government had no position paper on the fisheries, and they made no suggestion as to what changes there should be constitutionally with respect to the fisheries, because the Minister of Fisheries and the Environment (Mr. LeBlanc), in that petulant display of the power he wields apparently over the government, threatened other government ministers that he would resign if the Government of Canada made the slightest change in its complete control over the fishery.

The second noticeable thing was that of all the 14 topics to be discussed at the constitutional conference, only one was the subject of a propaganda campaign by government ministers going across Canada speaking against it, and that was the fisheries. The minister of fisheries of Canada went about Canada during the period when these ministers were meeting in private sessions. The federal-provincial ministers were meeting with the Minister of Justice (Mr. Lalonde). They had three or four or five meetings in between constitutional conferences. The only federal minister who campaigned against any change, or was permitted to campaign against any change, was the minister of fisheries of Canada who spoke in Halifax and everywhere he could decrying any attempt to change complete and absolute federal control over the fishery.

The provinces of Newfoundland and Nova Scotia put forward a proposal that there be concurrent jurisdiction with federal paramountcy for some items of the fishery and provincial paramountcy for others. They suggested the federal government would have paramountcy over international negotiations, surveillance, international enforcement, basic research, conservation, global quotas of fish to be caught, quality standards for export, licensing of foreign vessels; and that the provinces would have paramountcy over determining quotas—inter-Canadian quotas after the federal government determined global quotas, the division of the quotas among provinces—harvesting plans, allocation of aquaculture and fish farming areas, and the licensing of local boats and fishing vessels, with the residual power in the fisheries to be with the provinces.

The minister of fisheries of Canada turned thumbs down on even discussing these proposals for concurrent jurisdiction in the fisheries. He would not discuss them. In his arrogance and his petulance, he threatened to resign if the Minister of Justice or the Government of Canada even agreed to discuss the points put forward by Nova Scotia and Newfoundland and agreed to by all of the other eight provinces. This was a position put on

the final day by the ten provinces of Canada. But no, the fisheries dictator of Canada, the minister of fisheries of Canada, the chief cod of Canada, said "No, we are not going to discuss it."

Now here is an industry. The fishing industry is just as important to Newfoundland as the agricultural industry is to Saskatchewan. There is concurrent jurisdiction in agriculture. The Minister of Fisheries and the Environment is not prepared to concede that there be any mention or discussion of concurrent jurisdiction over fisheries with the provinces.

● (1240)

That attitude has to change. That attitude will change and certainly our party is prepared to discuss these issues with the provinces, keeping in mind that the federal government has to be paramount in at least the areas that were suggested by Nova Scotia and Newfoundland, if not other areas, but that the provinces, like Newfoundland and Nova Scotia, where fisheries is of such fantastic importance to their whole gross provincial products and the livelihood of the people—the whole roary area of Newfoundland with a third of the people living in my district completely dependent on the fishery—these provinces in which these people live should have some say as to what is to happen in the industry.

Here is one clipping to show the position the Minister of Fisheries and the Environment took before the constitutional conference started. He spoke in Halifax as reported on January 27, and said the Atlantic fishermen would be the eventual losers if Ottawa allows the coastal provinces to share in jurisdiction over the fishery. I say "bushwa", Mr. Speaker. That is not proven at all and he has done a disservice to Canada.

One of the arguments the minister uses is that there would be such confusion that the provinces would be competing with one another with disastrous results. Imagine the Minister of Fisheries and the Environment suggesting that there would be any disastrous results about the fishery if the provinces were permitted to have some control, when the federal government has controlled fisheries since 1867 and the fisheries just about died. From the early 1960s until 1975 the fishery nearly expired while the superior minister and his government had full control over it. Canada has had control ever since 1867, yet he turns around to suggest that if the provinces are given some concurrent jurisdiction there is such avarice and such anarchy in the provincial capitals, and there is such incompetence, the fishery would be ruined unless the mighty federal government and this minister have complete control. We are not to have any decisive say in our own lifestyle as to whether our province's economy flourishes or does not, if the present Minister of Fisheries and the Environment is not removed. But he will be removed.

Just look at this: this superior minister who talks so much about federal control being so important sent a release out on February 14 in which he said that fishery improvement loans were up 65 per cent. He said that the federal government under the Fisheries Improvement Loans Act had guaranteed 900 loans totalling $16,338,000 during the period April 1, 1978 to September 1, 1978. Last year it was only $9,900,000 but this year it is $16,338,000. This is where the federal government guarantees loans granted by the chartered banks. These loans are not even made by the federal government, yet the minister boasts about these guaranteed loans, made by the banks and not by the federal government, which are up to $16 million this year across the whole of Canada.

Let us look at what is the record of the Newfoundland government in assisting the fisheries and the fishermen. The fisheries loan board of Newfoundland makes loans directly, not through the banks, to the fishermen for boat building, gear purchasing purposes and the like at very, very low rates of interest—I think it is 3 per cent, with very, very low down payments; you only have to put 5 per cent down to get loans from that board to build yourself a longliner, if you are a fit man to build a longliner and sail and operate it. This fisheries loan board of Newfoundland in Newfoundland alone made $23 million in loans to fishermen this year—that is, during the past financial year—as compared to this government guaranteeing across Canada $16 million. The Government of Canada, this mighty government that the Minister of Fisheries and the Environment thinks is so all important to the fisheries, is not doing anything in the line of financial assistance to fishermen. It is not even in the same category as the government of Newfoundland which loaned $23 million in 1,335 loans to *bona fide* fishermen. Those loans were made in the 1978-79 fiscal year by the Newfoundland fisheries loan board.

That will show the House that the Newfoundland government is taking its responsibilities for developing the fisheries seriously, even though it has no constitutional jurisdiction, and even though it is restricted to doing certain allied and subsidiary things and has no authority over quotas, licensing or what happens in the sea at all.

This government is going to have to decide whether the Minister of Fisheries and the Environment is bigger than the government. The Prime Minister says that one of the 14 topics they will consider for change is fisheries. He is sabotaged by his Minister of Fisheries and the Environment who campaigns across Canada against it, and finally says: Pierre, if you go one iota in this direction I am going to resign, and the great Prime Minister of Canada has to surrender to his little fisheries minister from New Brunswick! That is some spectacle. The Prime Minister of Canada claims he is very, very strong for free enterprise, that the market system is the best system, and yet he has reversed himself in recent years. This is the gentleman whose promises are completely contradicted by his own minister of fisheries, whose policies are not to rely on the private sector at all but to criticize and embarrass the private sector at every stance.

On September 25 of last year they had to write the Prime Minister to point out what the Prime Minister had said and to point out the attitude of the minister of fisheries, his opposition to them, his criticism of them, his refusal to deal with them and his refusal to enter licences for fish freezer vessels, freezer trawlers and the rest of it. The Prime Minister has only given a formal reply to their letter.

One thing this parliament and the House of Commons fisheries and forestry committee will have to deal with—the chairman is here today—is the arbitrary nature of the exercise of power by the minister of fisheries. The minister of fisheries is a man who can make or break you if you are in the fishing business. He can give you gifts of hundreds of thousands of dollars. That is the power that this gentleman has today because he controls licensing, and there are no standards set as to when he is going to give you a licence and when he is not. He can approve of your going into an arrangement with the Bulgarians, if he wishes, with the Russians, the East Germans, the Poles or the Japanese, or he does not have to agree. He can allow this fish company to enter into an arrangement, or he does not have to allow it.

This year I was given, in answer to questions I asked at the committee in November, a list of the co-operative fisheries arrangements, as they call them, for 1978, where the minister of fisheries allowed Canadian unions or Canadian companies to go into arrangements with foreign partners in taking our fish resources in Canada. There is a long list of them. I want to point out that this is entirely arbitrary. If the minister does not like you he does not have to let you enter into that arrangement; he just takes you off his list. Or if he likes you, or if you are a political ally, or if you are allied to the Liberal party, he can allow you to go into a deal.

Just look at squid. The minister did extraordinary things on the quota for offshore squid—not the squid that comes into shore. He gave a gift to various fishing companies in Canada. He said to them: "Look, there are so many thousand tons of offshore squid, we cannot catch it here in Canada. We have not got the vessels for it, the facilities, because it has to be frozen immediately after it is caught. Gentlemen, I am going to give you a licence and you can enter into deals with the Japanese or whoever is equipped to catch squid, and you can sell your right to this licence I am giving you. In effect, you can sell it to the Japanese or whoever wants to buy the squid and you can make yourself $100,000 or $50,000, whatever the amount might be, depending on how much squid I allot to you".

This is the power that we are allowing this individual minister of fisheries. He allowed H.B. Nickerson & Sons Ltd. to take a quota of 4,000 metric tons and they made arrangements with the U.S.S.R. and Japan for these people to catch the squid. The U.S.S.R. and Japan paid them a fee, so much per ton. They did not have to lift a finger. Nickerson did not have to catch it. They did not have to lift a finger, except to make a few commercial arrangements.

It was not just Nickerson. Some 2,000 tons went to Karl Karlsen & Co. Ltd.; 1,600 metric tons went to United Maritime Fishermen Cooperative; 400 tons each went to Ocean Harvesters Ltd., Earle Bros Ltd., Quinlan Bros. Ltd., P. Janes & Sons, of Newfoundland, and to A. Northcott Ltd., Arctic Fishery Products, Port aux Basques Seafoods—400 tons each—and Bay Bulls Sea Products, Beothic Fish Processors, Bonavista Cold Storage and Burgeo Seafoods Ltd. In other words, it was a gift. The minister of fisheries came along and said to those companies: "Gentlemen, here is a 400-ton gift of squid which you are not going to catch, but you can allow the Japanese to catch it and you can get a fee from the Japanese for that purpose. I am giving you a gift of money." And we are allowing this! There is no board set up to oversee it and there are no rules or regulations to deal with it.

• (1250)

Then he said to National Sea Products: "Gentlemen, here are 6,000 metric tons", and they entered into arrangements with the U.S.S.R., East Germany and Japan. Then he said to Fishery Products Limited in Newfoundland: "Gentlemen, here are 4,000 metric tons. You do not have to put a net in the water, you do not have to send a boat out, you can't because you do not have the equipment, but I am giving you 4,000 metric tons to help your balance sheet this year". I have heard that some of these companies made several hundreds of thousands of dollars just from that alone. The fishermen themselves were allowed the deals through their union. I believe that in some of these deals they were required to process 25 per cent of the squid onshore, and the rest was taken into these freezer vessels and they went off and it was never dealt with in Canada at all.

What about our 7,000 plant workers? Are they to be forgotten in all these deals that the minister of fisheries is in? He is the biggest dealer in Canada. He is big enough to be the biggest in Las Vegas. He is the biggest deal maker the fisheries has ever seen in Canada, and it is all done arbitrarily. There is no principle laid down. It depends on whether you can scratch the minister's back nicely enough. This is a shocking situation and I intend to propose to the fisheries committee that we get right into this.

Now, 3,500 metric tons went to B.C.M. Investment Limited. Who are they? Is this one of Canada's great national companies? All I am able to find out is that there are three individuals who own the company, all Canadians. It is a one-shot deal. They do not own a processing plant. One of the three principals is associated with a small fishing company. Why should B.C.M. Investment Limited be given a gift of 3,500 metric tons of squid, which they sold to Hoko Fishing Company Limited in Japan? This demands explanation.

Another company is Atlantic Sea Products Limited which received 2,500 metric tons. They sold that 2,500 metric tons to Kyokuyo Company Limited in Japan. Who is Atlantic Sea Products Limited? I am told that they have a small fish processing plant down in Hubbards. I do not know what other connection they have with the fishery.

So apart from the large established fishing companies and the smaller ones which were given gifts, there is B.C.M. Investment. They got 3,500 metric tons of squid, 2,000 metric tons of silver hake, which they sold to Hoko Fishing Company Limited, and they got 300 metric tons of Argentine which they sold to Hoko Fishing Company Limited.

What is going on in the administration of fisheries in this country? That is what I want to know, and anyone else who hears this will want to know it too. This minister should not be allowed to give gifts worth tens of thousands and hundreds of

thousands of dollars like this to companies in Canada, or unions or individuals, arbitrarily with no standards set down by this House, no legislation set down by this House or no appeal. You cannot appeal if he refuses you a licence. There is no appeal procedure. There is no appeal court. There is this complete arbitrary use of discretionary power and authority by the minister of fisheries, who is tyrannizing the fishing industry with the immense power that he has. So, Mr. Speaker, I am hoping that the fisheries committee will agree to pursue this.

There are more and more peculiar things going on all the time. The minister of fisheries says that you cannot expand your fishing fleet. "No, I am not going to give you a licence to replace your trawlers; I am not going to allow you to expand your fleet; but I will allow you to enter into all kinds of deals with foreign concerns." When we object to that, he says, "But our Canadian companies can't catch argentine, they can't catch silver hake, they can't catch squid, they are not equipped to do it". Well, how can they get equipped to do it if the minister will not allow them to go into the business of building freezer trawlers? You have to have freezer trawlers to catch these species of fish. He has the industry caught in a vicious circle. He says: "Gentlemen, you can't have a licence for freezer trawler, no, no, no, no." When we object to his giving out all these deals to foreign groups—the East Germans, the Poles, the Russians and all the rest of them—he says: "Well, I have to do this because we can't take our quota of silver hake, argentine and the like." We say that he has to start moving now.

The minister is a propagandist. When he spoke here on January 24 he exaggerated what it is we are asking for, what sensible people in the industry are asking for. He said as reported at page 2534 of *Hansard*:

> Sometimes these protests are accompanied by calls to cash in on this wonderful new bonanza by vastly expanding the fishing fleet.

There is not a soul in Canada asking to vastly expand the fishing fleet, the slaveen; he has just made that up. What we are asking for is the right to replace the fleet that is here now and perhaps expand it a bit; and the right to get some freezer trawlers to catch argentine, squid, mackerel and silver hake, which we cannot do now because we do not have freezer trawlers. The minister went on to say:

> In both cases these protests are from people who have not taken the trouble to study the situation or have chosen to ignore the facts for whatever reason.

Nonsense! These protests are by the industry itself and by others who have done a little study in this industry. On the same page he says:

> The idea of a massive fleet expansion for traditional species . . . is a pipe dream.

Sure, it is a pipe dream because nobody ever suggests it except the minister who wants to have something to knock down.

Now, Mr. Speaker, what has he been doing lately? What has this ingenious minister been up to lately, this veritable Santa Claus. He should come in here with a red suit and a white beard. At the moment he has cod on his mind, the northern cod—2J3K—off northern Newfoundland and Labrador. I was delighted to have the chance yesterday to give recognition to our great new movement in Newfoundland, CodPeace. This movement is the equivalent to cod as *Greenpeace* is for the rest of the world. It is a movement that wants to protect the cod from the savage seal. This group was initiated by Mr. Miller Ayre of St. John's who deserves a medal. He should get the Canada Medal or whatever it is, like the people who are walking around with these medals crumbling off their chests and bowing them over. It is time that a few of those medals were scattered out where they should go. I propose Miller Ayre right now, immediately, for the whatever it is, the Order of Canada, in recognition of his great movement that will sweep the world—CodPeace. We have nothing to lose but our cod pieces.

Mr. Knowles (Winnipeg North Centre): "In cod we trust".

Mr. Crosbie: In cod we trust. There is a total allowable catch of northern cod of 170,000 tons. One hundred thousand tons are for the inshore fishery. This is the cod off northern Newfoundland and Labrador. There are 30,000 tons for Canadian trawlers, 25,000 tons for foreign trawlers and 15,000 tons remaining. The minister of fisheries is a dictator, and he has arbitrarily decided that he is going to permit that 15,000 tons remaining in the quota to be caught by foreign vessels so long as they sell the catch to fish plants in Newfoundland and Nova Scotia.

That may be sensible because we do not have special ice-reinforced trawlers that can catch this cod. We are in the humiliating position that we cannot catch our own quota of the offshore, northern cod because we do not have the kind of vessels that will do it, and the minister will not permit the industry to get them. But he is going to permit now the East Germans and the Poles to catch this 15,000 tons as long as they sell the cod, frozen onshore, to our own fish plants for them to process. That is in the circumstance that we cannot catch it ourselves, a circumstance which the minister has put us in. It is the minister who has got us in the position that we cannot catch it ourselves, the Canadian industry. That makes sense, but only because he has forced us into that position.

Fishery Products Limited tried fishing last year and were very successful in catching fish under the ice, up in the ice, but their trawlers are not specially ice-reinforced. They had such heavy damage that the insurance companies forbade them to try that fishery again this year. The East Germans and Poles can catch and land that fish for much less than we can. The minister has not given the trade much time. He did not give them much advance notice. There is a lot of equipment necessary to make this successful so that you can take the frozen products and process them.

My point is this. The minister or the government—and if they don't do it, they will—must announce how they will license in the future in order to permit our present fleets to be replaced over the next five to ten years, the stern trawlers and side trawlers. Our own Fishery Products in Newfoundland has 40 trawlers. They need advance notice because these trawlers

today cost something like $6 million or $7 million. They cannot arrange a whole lot of money in just a couple of months. They must know whether they are going to get one licence next year, two the next or two the next, or however, so they can start replacing the fleet.

The minister has a new policy, which he says he has, and I agree with the concept; he wants vessels owned by individual fishermen or by companies they form rather than by processing companies. I am quoting from his speech which he made in Halifax on January 26. I agree with that concept. It would be better to have our fishing fleet owned separately from the processing companies. But how is an individual fisherman to accomplish this? How is he to get $7 million or $10 million for a fishing trawler? That was not explained.

● (1300)

The processing companies now have to get vessels or they will not have fish for their plants. They have to get the catch themselves. That is an historical development. They have to know if the minister is serious about this. If he is serious, they are not going to build any more ships. It is the minister's duty to explain how he is going to accomplish this, and see that the individual fisherman or that trawler companies only and not processing companies get the money and develop the fleets that will be needed to get fish for the plants so that the plant workers will have work over the next ten or twenty years. He cannot leave them in the dark, making this policy statement and then not following up. The industry is going to have a basket case in the next few months if he does not start making some decisions. The Deputy Prime Minister (Mr. MacEachen) is from Cape Breton, a fishing area; is he going to sit and let this power hungry minister of fisheries give out these licenses, these presents and gifts? Is he going to allow him to complete his policy? Are we now to allow our own Canadian industry—

The Acting Speaker (Mr. Turner): Order, please. It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Crosbie: Mr. Speaker, I just have a few minutes to conclude. For the future success and development of our fishery, we need to have growth in the inshore fishery and in the offshore fishery. It is unfortunate that for political reasons the Minister of Fisheries and the Environment and the members of the government have continually stressed the inshore fishery and have seemed to ignore the offshore fishery.

● (1410)

There are 7,000 fish plant workers in eastern Canada who are not going to be able to get a decent year's work; they are going to be on part time work unless we have a successful and profitable offshore fishery as well as the inshore fishery. So it needs to be balanced. This is the kind of development we need but unfortunately the minister seems to exhibit some prejudice against a strong and healthy Canadian offshore fishery at the present time. If this is the case it is the fish plant workers who will suffer in the long run as well as the fishermen themselves.

It is peculiar the minister should say he is biased in favour of the inshore fishery when his actions in certain areas show otherwise. But now that the fishing industry has become a prosperous one it is time the government started spending some real money on the fishery. We have noticed in my constituency for the last couple of years that the increased emphasis we hear about does not seem to apply when a man is building a long liner. The government is supposed to have a strong bias in favour of the inshore fishery but when a fisherman in Newfoundland wants to build a long liner, a vessel under 75 feet in length—and these have become quite expensive lately, the price running anywhere from $250,000 to $500,000—he can go to the provincial government and get a provincial government subsidy. He can get a loan from the provincial government at an interest rate of 3 per cent. But when fishermen come here for a federal subsidy, they find that the mighty Government of Canada has only $4 million for these purposes to cover the whole of Canada. They discover that the regulations have been changed and that today, before they can get any bounty or assistance for building a long liner, a man has to be replacing a vessel which is at least eight years old.

This is the great federal government which says it is so biased in favour of the inshore fishermen. If that is the case, why aren't they doing anything further to replace these boats? Why aren't they helping new fishermen to enter the industry, men who haven't owned a boat before but who have been fishing for years and are interested in acquiring a boat? It is time for the Minister of Fisheries (Mr. LeBlanc) to put his money where his big mouth is, where his big inflammatory mouth is. It is also time for his colleague, the Secretary of State for External Affairs, who bellows like a bullfrog about his great support of the inshore fishery, to see that some real money is put into funds to help fishermen acquire new long liners and new boats for the inshore fishery as well as the offshore. I do not want to mention the Deputy Prime Minister, of course, because he is in the same category; I don't want to hurt his feelings. He is here today and he has called this bill.

We have to remember the plant workers. If the bias of the Minister of Fisheries against the offshore fishery continues, I have three plants in my district, dependent on offshore fishing, the National Sea Plant in St. John's employing some 500 or 600 workers, the Fisheries Products plant in Trepassey, the medium-sized plant in Fermeuse. These plants employ maybe 1,000 workers between them whose jobs on a year-round basis would be endangered if the offshore fleet continues to be neglected by the minister of fisheries.

There are dozens of other plants, inshore plants, which also buy some offshore fish at Bay Bulls, Witless Bay, Arnold's Cove, Admiral's Beach, Branch, St. Bride's, Southern Har-

bour, Riverhead. There is a new one going up at St. Mary's, there is Fairhaven—I could name another dozen. We have to remember that when the minister of fisheries "knocks" the industry, when he knocks the offshore fishery, when he shows his bias in favour of the East Germans, the Poles, the Russians, the Japanese and everyone else who fishes offshore except our own national companies which have been taking chances for the last 50 years, before the hon. gentleman was even thought of, he is endangering the employment of all 7,000 or 8,000 fish plant workers in Newfoundland and the Atlantic provinces.

In addition, the minister should spend more money on the inshore fishing villages. There are some 50 or 60 fishermen fishing from Portugal Cove South. That is their whole livelihood. For two years now I have been pointing out to the minister that the wharf and community stage are going into the sea, that the breakwater is crumbling. They are exposed to the sea and if he does not act and start repairs by early April there will be no inshore fishery from Portugal Cove South this year.

Here is an industry whose value is burgeoning. The government is getting greatly increased income from the fishing companies and it is time to use it to increase the funds available for Portugal Cove South, for the work needed at Renews, for the slipway which was promised at St. Shotts, for completion of the work at Come-By-Chance, for the replacement of the wharf at Long Harbour. Peter's River, St. Vincent's, is one of the great inshore fishing commmunities of North America. Peter's River, exposed entirely to the sea, dependent entirely upon human construction to preserve a place to land fish, is a tremendous inshore fishery; there are inshore fishermen who earned in excess of $50,000 in the six-weeks' trap fishery this year. This is a place which needs a community stage and where the wharf has to be expanded and facilities for landing have to be improved so that the fishermen of St. Vincent's and Peter's River, many of whom are now returning to the fishery, can have the necessary room to fish and land their catch.

Gaskiers and Pt. La Haye are part of the fishing community of St. Mary's Bay where some of the best inshore fishermen in the province have to land their fish in primitive circumstances. Last year and in 1977 they salted their fish. This year they are landing it fresh. These men deserve help and encouragement. They are building, under the Canada Works program, a magnificent fishing gear storage shed and they are doing the same thing in Peter's River. It shows the value of some of the Canada Works projects. I can assure the minister here today that no projects in Canada are better constructed nor is any of that money better used than at Peter's River, Gaskiers and St. Mary's Bay. If he would like to come with me, or take me down in his jet some time, to Newfoundland—he is only going to have a jet for a couple of months now, until he is bounced out and becomes an ordinary citizen—I would like to show him those two projects. That is where Canada Works funds can really come in handy.

Bay Bulls, Mr. Speaker, is one of the best fishing places in the island and it needs a wharf. It also needs a slipway. These have to be started this year. The minister has promised action for Bay Bulls but has dragged back on his promise for a fishing patrol vessel base. There has been no progress over the last 12 months and we want to know when that work is to start and why it has not got under way as the hon. gentleman promised when the by-election was on. I was elected despite the minister's promises that if the Liberals were elected they would go ahead with this patrol vessel base in Bay Bulls. I was elected and shall be re-elected there very shortly.

I call on the minister now to get this great fishing patrol base in Bay Bulls under way. He should not drag back just because the Liberal candidate does not have a chance, not a hope. He is going to become a powerless third; he might be right off the ballot paper altogether if somebody doesn't take mercy on him and decide to give him the odd vote. The minister should forget politics and just get on with his promises in Bay Bulls to put in the new Crosbie fishery patrol base for the fishing patrol vessels of eastern Canada. If the minister does that I will be very pleased, particularly if he names it after me. That will make me even more pleased.

The Secretary of State for External Affairs, speaking in the chamber on January 25, is reported on page 2561 of *Hansard* to have said:

I believe that our markets are not sufficiently diversified and are in a more precarious state than is generally realized.

Well, the Deputy Prime Minister is the man in charge of the GATT negotiations. What has the hon. gentleman done to ensure that the worries and fears of the Secretary of State for External Affairs are laid to rest? Apparently nothing. The minister says our markets are not diversified and are in a more precarious state than is generally realized. The government is supposed to be negotiating with the European Common Market to get duty-free or low-duty entry for our fish into the Common Market so we would no longer be almost totally dependent on the United States.

● (1420)

What have the Deputy Prime Minister, the Secretary of State for External Affairs and the Minister of Industry, Trade and Commerce (Mr. Horner) done to realize this main negotiating point? As far as we can find out, they are being treated with contempt by the European Common Market. Is the Minister of Fisheries and the Environment going to come clean and tell us exactly what is happening in the GATT negotiations? Will it help the Canadian fishermen? Are we going to be able to diversify our markets? It is not enough for the Secretary of State for External Affairs to say he is concerned. He has been in power and in the government since 1968. When is he going to take some action so that we can diversify our markets and not be completely dependent on the United States?

We have a strong fishermen's union in Newfoundland, and that is a good thing and I support it; but I am not going to be completely subservient to the fishermen's union in Newfound-

land nor to any other union, and when the fishermen's union of Newfoundland is led by an NDP supporter and when they attempt to get the rest of the members of that union to support the NDP, I have to say I demur.

I have to say that I do not agree, that I think it is a bad mistake for Mr. Cashin and the leaders of the Newfoundland fishermen's union to attempt to get that union to support the NDP. Number one, the membership is not going to support the NDP. They are free-born Newfoundlanders who are not going to be told by anyone whom to support. They are not going to listen to union bosses any more than they listen to company bosses or government bosses. They are free, independent figures, and they are not just going to follow slavishly the goals of the NDP.

So I say yes, we need a strong union, fishermen's union, in Newfoundland. I believe in countervailing power. I think we also need a strong, prosperous fishing industry in the trade of Newfoundland, and I think we need two governments who take a real interest and co-operate in getting the fishing industry going.

I said during the summer that the Minister of Fisheries and the Environment is a puppet of Mr. Richard Cashin, and lo and behold, the Minister of Fisheries and the Environment of Canada wrote a letter to the St. John's *Daily News* which said, "I am not a puppet". That was the purport of his letter. Imagine the Minister of Fisheries and the Environment having to write a letter to the daily press to say that he is not a puppet. He so appears to be a puppet that when he was called a puppet he had to out-puppet himself and write the St. John's *Daily News* to say he was not a puppet. He has the appearance of being a puppet, and he does not have the appearance of being fair in weighing the conflicting claims and demands of the trade and the union.

So, Mr. Speaker, I have always been a strong supporter of a good organization for the Newfoundland fishermen. We now have one, but there are certain conflicts of interest in that union which have got to be noted. The interests of the fish plant workers the union represents are not uniform with the interests of the inshore fishermen on all occasions or the offshore fishermen. Many of the deals, for example, that the union entered into last year with the Bulgarians and the Russians did not require any of the fish caught to be landed and processed in Newfoundland, and that is to the detriment of the fish plant workers. And in many other deals of the Minister of Fisheries and the Environment which I recited to the House earlier today that he authorized to be entered into for the catching of squid and the like, the squid did not have to processed in Newfoundland or in Nova Scotia or in Canada, so that Canadian workers lost that kind of work.

This is all pretty shortsighted, and there are many questions to be answered as to what happened last year and whether it was desirable for the arrangements to be entered into that were entered into in the interests of everybody in the industry. The Minister of Fisheries and the Environment says that he is operating in the interests of the inshore fishermen. Well, why, if that is the case, did he take the shrimp resource that belongs to Newfoundland and Labrador, the great new shrimp resources found off Labrador, and give three licences to his own province of New Brunswick, two catching licences for that shrimp to the province of Quebec, two to Nova Scotia and only two to Newfoundland, this huge shrimp resource off Labrador that rightly belongs to the fishermen of northern Newfoundland and Labrador? And he has retained three of these shrimp licences for fishermen in Labrador who at the present time have no catching capacity. Why did he ignore the interests of the fishermen of Labrador and of northern Newfoundland in distributing these shrimp licences which he now controls in an arbitrary fashion? It takes a huge investment to equip yourself with shrimp-catching vessels for those areas because the shrimp are in deep water.

The result of his action was that Fishery Products Limited could not expand their shrimp processing operation at St. Anthony because two licences were not sufficient for landing shrimp at St. Anthony, and the fishermen of Labrador are now dealing with the minister and trying to take advantage of this resource for themselves. According to my information, at the beginning of February they were getting nowhere with the Minister of Fisheries and the Environment.

The Labrador resources advisory council has made proposals for licences to go to the six communities from Rigolet north to be used in the interests of the people of Labrador. There is a proposal for a co-op to use the licences. There is a proposal for equipment to be put in the plant at Cartwright that might employ 140 or 150 people, but up to February 1—and I have not had a chance to check today because this debate came on quickly and unknown to me—they have had no response from the Minister of Fisheries and the Environment. If the Minister of Fisheries and the Environment is so concerned about the inshore fishermen, why did he take the shrimp resources and divide them up by giving three licences to his own province, two to Quebec, two to Nova Scotia and only two to Newfoundland and three to Labrador?

I might quote from the *Union Forum* of July, 1978. They call it the single most disappointing decision made in his tenure as Minister of Fisheries and the Environment. They say that this was a political decision and that he is taking away from the people of Labrador and northern Newfoundland the possibility to improve greatly their economic base. I quote from the editorial:

> If we are going to start getting into allocating access to lucrative resources on a political basis, then the next thing you know fishermen in Labrador and northern Newfoundland will begin to demand access to the lucrative scallop fishery on Georges Bank.

The union puts its finger right on the problem with this minister. It is politics, and too many of his decisions are based on raw politics. I see that my time is up, Mr. Speaker.

Mr. Watson: Mr. Speaker, I do not intend to make a speech, but I have a question to ask of the Deputy Prime Minister (Mr. MacEachen).

Mr. Deputy Speaker: Is the hon. member raising a point of order?

Mr. Watson: A question on the bill.

Mr. Deputy Speaker: The hon. member can make a speech. We are on second reading, not in Committee of the Whole. The hon. member can make a speech, but there is no way by which he can put a question to a minister who does not have the floor. He can put a question to a member who has the floor.

Mr. Watson: Mr. Speaker, I will, in effect, use this time as a speech, but all I want is to ask one single question. It relates to clause 14 of part III which deals with the Department of the Environment. Clause 14 would repeal sections 5 to 7 of the Government Organization Act, and my question relates to section 5 (a) (i) which reads as follows:

(i) the preservation and enhancement of the quality of the natural environment, including water, air and soil quality—

Subsection (a) refers to the act's having jurisdiction—

Mr. Deputy Speaker: Order, please. I do not wish to prevent the hon. member from making a speech, but I must refer him to citation 381 of Beauchesne which says that second reading of a bill is that stage when it is proper to enter into a discussion and propose a motion relative to the principle of the measure. On a motion for second reading it is out of order to discuss the clauses of the bill.

I think the hon. member is ahead of his time. The question he wishes to ask will have to be put when the bill reaches the committee stage. As I said, he can make a speech on the principle of the bill. He can perhaps refer to a clause. But asking a question about a specific clause should be left for the committee stage.

Mr. Watson: Mr. Speaker, the reason I started the way I did was that I understood that there was a general disposition this afternoon that speeches were to end with the speech of the hon. member who just spoke. I did not want to place the House in a position where there would be a succession of other speeches. If I am not going to be followed by other speeches, I will be very brief. I want to make just one point. If, however, my intervention will result in a number of other speeches, I will sit down right now. Do I have the assurance of the House that there will not be other speeches? If that is the case—

Mr. Deputy Speaker: Order, please. I am sure the hon. member is asking for something no one can guarantee because no one knows what the hon. member is going to say. Having been in the chair for eight years, I know that speeches generally bring on more speeches.

● (1430)

Mr. Watson: I seek, in effect, an assurance by this intervention that this jurisdiction, which apparently is going to be given to the Department of the Environment, will include the right of the department to ensure the preservation and enhancement of the quality of the natural environment on Indian reserves. This is of particular concern to a great number of people in the Montreal area and in particular in my constituency area of Châteauguay, who have been adversely affected by certain developments affecting the quality of the environment on the Indian reserve of Caughnawaga. This has had overlapping effects for the people of Châteauguay.

I simply make this intervention in order to seek an assurance from the minister at some point later on that this will, in effect, allow the federal government to take steps, quite apart from its rights and jurisdictions for Indian affairs, through for example, a section of the Department of the Environment dealing with forestry, to deal with such matters on the Caughnawaga Indian reserve and with other matters relating to the environment on that reserve. That is all I have to say, Mr. Speaker.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Fisheries and Forestry.

* * *

NORTHWEST TERRITORIES ACT

AMENDMENT TO MODIFY NUMBER OF COUNCIL MEMBERS

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development) moved that Bill C-28, an act to amend the Northwest Territories Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

He said: Mr. Speaker, I will be very brief and in this way I hope to set an example which everyone else will feel compelled to follow.

Bill C-28 is a very short bill which contains only two clauses. It is a bill to which, I can say from the government side, we are prepared to put through all three stages today to expedite it. I have made that offer through private channels and I make it today publicly and await to see if it engenders a response from all opposition parties.

As I said, the bill contains two clauses. The first clause would provide the commissioner in council of the Northwest Territories with the power to alter the size of the council by territorial ordinance from 15 to as many as 25 members. This is a power that the Yukon territorial council has had since 1974. My impression is that this amendment would be supported by all members of the existing council. In fact, this particular provision has been the object of a fairly vigorous lobby in Ottawa by members of the council. They have made their concern known to me, and, I think, to hon. members opposite, that in their view this amendment is in the interests of the Northwest Territories and they ask the House of Commons to move on it. That is why I am prepared to move on all three stages of the bill today, if that meets with the support of the House.

The second clause of the bill would validate an ordinance passed by the commissioner in council at its October session in

anticipation that parliament would enact the bill before us today. The council amendment ordinance empowers the commissioner to describe 22 electoral districts upon passage of this bill, an increase of seven over the presently constituted council of 15 members.

The rationale for the bill is straightforward. Apart from the fact that it has the support of the council and many people in the Northwest Territories, I was able to meet with the new mayor of Inuvik in my office and she told me they strongly support it. I understand Chief Johnny Charlie from Fort McPherson made his views known on radio today and said that he supports it.

I know there are some who have misgivings about it, and I suspect the hon. member for the Northwest Territories (Mr. Firth) may want to develop that; but I think on balance it would be fair to say that the council as presently constituted with 15 members is too small to be properly representative of the cultural and geographic differences of the Northwest Territories. I think it is also fair to say that, given the period of time when we are moving in a very substantive way toward a responsible government in the Northwest Territories, there is a great deal of political communication that must be undertaken, and that can probably be undertaken more effectively by a council of 22 members than one of 15, given the land mass with which the members have to deal, the dispersed nature of the population and the cultural differences.

I think I should also point out to the House that I have discussed the bill before us with the special representative of the Prime Minister (Mr. Trudeau), the hon. Mr. Drury. He studied it and he indicated he thinks it constitutes a forward step and he strongly supports it. Obviously it is a move to reinforce the direction in which I think we are all going toward greater autonomy and responsible government, but it does not—this is a point I should like to stress because it is this point that the opposition, namely, those who wish to be cautious on this bill, are stressing—inhibit constitutional options that would be before us and before the Northwest Territories in the future. I think it is important to recognize that.

The final point I would make is the point about urgency. The statutory life of the council will expire on March 31 of this year and an election must be held soon thereafter. It will be conducted by the chief electoral officer of Canada who, of course, would appreciate as much lead time as possible to prepare for this event. I hope, given the general support that exists for the bill, the argument of urgency, and the fact that the bill in no way precludes constitutional options which we will be exploring, that hon. members will see fit to put this bill through all three stages today.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I am pleased to have the opportunity to participate in this debate. The debate on this bill is long overdue. The bill puts into law what members of the territorial council in the Northwest Territories have been asking for for a long period of time.

We on this side of the House have requested this amendment for some time, but it was not until late last fall that the minister saw fit to bring in the legislation. At that time we indicated to him that we were prepared to give the bill speedy passage, three stages in one day. We are still prepared to do that. We would be very happy to see the bill have three readings today. Unfortunately I understand hon. members of the New Democratic Party are not prepared to give such an undertaking.

● (1440)

As the minister has said, the matter is urgent. Why is it urgent? The answer is very simple. The territorial council have requested this change. Because of the vastness of the territory they represent, the council feels it is not realistic that there should be only 15 members on the council. They feel they cannot represent adequately the people who are scattered throughout the territories.

Approximately a week ago I was in the territories and had occasion to talk with members of the territorial council. I spoke with one councillor who told me that, in order for him to visit one isolated community, he had to charter an aircraft. For him to charter an aircraft, spend the day in the community and fly back cost approximately $500. He also indicated that he had a number of such communities in his constituency. One can see it is almost impossible for 15 members to represent properly the people in the area. This is the feeling of the members of the territorial council.

In anticipation of an increase in its numbers, the council passed an ordinance on October 27, 1978 which provided for the setting up of 22 different ridings or constituencies and for the provision of 22 members to represent those constituencies. Clause 2 of the present bill provides for retroactive approval of that ordinance. As the hon. minister pointed out, the life of the council in the Northwest Territories expires on March 31, 1979. This is why members of the territorial council came to Ottawa prior to Christmas. The minister said that they were lobbying, but I do not feel, when members of a provincial government or a territorial government come to Ottawa to talk with either the minister or opposition members, that they are lobbying. I feel they are doing their job; they are attempting to represent their provinces or their territory.

Mr. Faulkner: That is what I meant.

Mr. Neil: It is unfortunate that the New Democratic Party has not seen fit to undertake to give three readings to this legislation today. In talking to members of the legislative council last week, they indicated that it is very possible, if this legislation does not receive quick consideration, they will have to proceed with their election under the old provisions of the act. In other words, there would be an election of only 15 members rather than 22, and another four years will go by before there could be proper representation on the council.

I am disappointed in one respect regarding this bill. For some time the territorial council has asked the minister to change the legislation. Rather than the council being called a

council, it would be called an assembly; and rather than being called members of the territorial council, the members would be called members of the legislative assembly. Unfortunately the minister has not seen fit to include that provision in the bill.

This bill is an important one because it gives better representation to all areas of the territories. There are those people in the north who say that the territorial council does not represent all the people of the north. But if one examines the make-up of the present council consisting of 15 individuals, one will find that nine of those 15 councillors are native people.

Last week when the hon. member for Brandon-Souris (Mr. Dinsdale) and myself were in the territories, we met with the territorial council for approximately two hours. At that time one of the territorial councillors posed the following question: "Some of the people say to me that I do not represent the native people. What do you people think?" We asked him about his constituency and his constituents. It was practically made up of native people. We responded to him by saying that under a democracy, once a person is elected by secret ballot, he represents all the people in his constituency whether or not they voted for him.

If one examines the attitude of the government over the years, it would appear that the government and the minister do not believe that the duly elected territorial council, the representatives of the people, in fact represents the people of the territories. One may ask why I say this. It is very simple. The government and the minister have refused to allow the territorial council or representatives of the territorial council to participate actively in the land claims negotiations.

This goes for the Yukon as well. I understand representatives from the Yukon were in Ottawa a week or two ago. They were members of the newly elected government in the Yukon. They asked the minister to give them the right of representation in the negotiations which will be and are taking place with the natives in the Yukon concerning land claims. When the COPE agreement was negotiated, at least the agreement in principle, it is interesting to note that it provided for the setting aside of roughly 10,000 square miles of the Yukon Territory on the north slope of the Yukon and that there was no prior consultation with the territorial council in the Yukon respecting that land. Representatives of the territorial council in the Yukon read the COPE agreement and found that the Government of Canada had set aside some 10,000 square miles on its own.

I suppose this land is owned by the people of Canada, but basically it is owned by the people of the Yukon. It was set aside without the properly elected people or the legislators in the Yukon having an opportunity to have a say in it.

● (1450)

I suppose that at some time in the future the government will say in respect of the COPE agreement that the territorial government had some input because the commissioner of the Northwest Territories signed this agreement. The commissioner acts under the direct authority of the minister. He does not act under the authority of the government of the Northwest Territories, and he signed the agreement under the instructions of the minister and not under the authorization of the territorial government.

I want to make it perfectly clear that any reference I have made to the COPE agreement has nothing to do with the contents, which will come up sooner or later in parliament for consideration. I will reserve my comments on the agreement until that time. I use that as an example of the manner in which the Government of Canada, not only this minister but ministers of Indian affairs and northern development in the past, deal with or treat that area.

Mr. Faulkner: I rise on a point of order, Mr. Speaker. I think it is important that the issue be clarified. I am not sure the hon. member is up to date on events, but there is now a memorandum of understanding between the Government of Canada and the government of the Yukon—

An hon. Member: That is not a point of order.

Mr. Deputy Speaker: Order, please.

Mr. Faulkner: I understand the hon. member is interested in hearing what the update to the position is, and I think it is important that it is clarified.

Mr. Deputy Speaker: The minister does not have the floor so he cannot make a statement. He could do so, perhaps, when he concludes the second reading stage of the bill.

An hon. Member: You were a great Deputy Speaker. Didn't you learn anything?

Mr. Faulkner: I thought members over there had an interest in the truth.

Mr. Neil: We on this side of the House are always interested in the truth, and if there is information that has come to light recently to which we are not privy I would certainly be very happy to listen to what the minister has to say when that is possible.

The government over the years has consistently treated the Yukon and Northwest Territories as colonies. The minister in his remarks a few moments ago made some reference to the granting of responsible government. I suggest that this government has no intention of ever granting provincial status, for example, to either of the territories, because the Prime Minister (Mr. Trudeau) of this country within the last year made that statement. He said the territories would not have provincial status during his lifetime.

It is interesting to note what the hon. member for Laprairie (Mr. Watson) said when he spoke during the referendum debate on January 31. I quote from page 2774 of *Hansard* as follows:

> Let us look at the Yukon. The Conservative party now is committed to giving provincehood to the Yukon. What does that mean? It means provincehood to the Northwest Territories shortly after, and eventually it means turning over the

natural resources of the Yukon and the Northwest Territories to extremely small populations. That policy was enunciated by the Leader of the Opposition and the Conservative party. If that is the position of the Conservative party, the Liberal position is somewhat different. The government considers the natural resources of the north are the common heritage of all Canadians.

Those are the remarks of the hon. member for Laprairie. This legislation today enlarges the legislature. I feel that, regardless of the attitude of this government to the territorial council, this change means greater representation to the people in the Northwest Territories, and, whether the government likes it or not, it means a step toward self-government and provincial status for the N.W.T. Self-government cannot evolve without a settlement of native claims, and the territorial governments, whether in the Yukon or the Northwest Territories, must be a part of these negotiations.

I have a copy of a speech made by the distinguished member of the territorial council, the Hon. Arnold McCallum, in the legislature of the Northwest Territories on February 1. He was replying to the commissioner's opening address. I should like to read a short part of what he said as I think it is important. He said:

I rise to talk about the most important contemporary issue facing this Legislature. And, in talking of it, I rise to make what I think is the most important speech I have ever made in this House.

I do this because I sense that we are approaching an intersection, a point at which all of us in the Northwest Territories—native and non-native—may push ahead to a better social order, or doom ourselves to the back-burner, and throw away our main chance to embrace in the N.W.T. what the rest of Canada takes for granted—self government.

I believe that the route we choose depends on whether we as members of this Legislature behave as politicians seeking personal or partisan gain—or whether instead we become statesmen.

I believe that if a free Northwest Territories is to emerge, that if a free Northwest Territories is to evolve, we must then become statesmen, wise in the science of government and unselfish and conciliatory in our conduct and in our work.

It is for this reason that I want to speak to you today, and speak to all citizens of the Northwest Territories about a species of wildlife.

It comes to light later that the species of wildlife to which he refers is government bureaucrats. He goes on to state:

The federal intent in land claims is to divide and conquer, and to divide and conquer us all.

In now agree with the Indian Brotherhood of the N.W.T. I now agree with the Inuit Tapirisat of Canada. I don't agree that the federal government is the culprit. As I've said, I believe the federal bureaucracy is. But I do agree with these groups as to what is happening: Divide the peoples of the Northwest Territories and, by so doing, conquer and control the peoples of the Northwest Territories.

This speech received little if any coverage in the southern press. It is an important speech and I believe it expresses the opinions of many northerners. It is a speech of some 30 pages. I do not know if the minister has read it, but I recommend it to him. Certainly it should be made compulsory reading for all senior civil servants in the Department of Indian Affairs and Northern Development. It recites a scenario in the north of divide and conquer; a divisive policy at a time when we should be doing everything possible to unite our country. I do not blame the minister. He is only one of four whom we have had in the past six and a half years that I have been here. He has a heavy and responsible portfolio. The short period of time which the various ministers have spent in the portfolio makes it impossible for them to grasp completely what is happening. They must depend on senior civil servants for advice.

• (1500)

The future of our country depends on the attitude and policies of the government, not only toward the native people, but toward all the people of the north, and in particular the elected representatives of those people. Fortunately there will be a federal election soon. I say that that election will bring about a change in government, and under a Conservative government there will be the development in the north envisaged by the former Prime Minister, the right hon. gentleman from Prince Albert, which will be based on the spirit of co-operation between all northerners regardless of background.

Some hon. Members: Hear, hear!

Mr. Neil: In closing, I would like to say that there is an urgency to this bill. It is important that it be passed so the next election in the Northwest Territories can be held on the basis of 22 seats. I urge the hon. member for the Northwest Territories (Mr. Firth) to make a speech at some length about what he would like. I hope that we will grant third reading to this bill today so that it may become law.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I am pleased to be able to make some remarks on Bill C-28, the bill which is before the House at this time, and I am pleased to follow the two previous speakers who remarked on this bill, the Minister of Indian Affairs and Northern Development (Mr. Faulkner) and the hon. member for Moose Jaw (Mr. Neil).

I am concerned about the number given to this bill. It seems to me that that is the number which the government uses to bring in bad legislation. I am sure that hon. members will recall that the last time we had to contend with a bill C-28 it was the bill which, in effect, restricted collective bargaining for civil servants.

I was surprised to hear the hon. member for Moose Jaw say that he would like to see this bill pass third reading today. I consider the bill to be nothing but a piece of window dressing on the part of the government. It does absolutely nothing for the autonomy of the north. I believe that the hon. member for Moose Jaw said that we would have to wait another four years before they—and I assume when he said they that he was referring to the people in the Northwest Territories—will get proper representation. I am quite sure that the many good members sitting on the N.W.T. Council would take offence at that remark, and I hope that that is not what the hon. member meant by the statement.

I would be more than happy to support a bill which would bring autonomy to the north. I have represented that beautiful part of the country in this House for a little over six years, and during that time I have been waiting and hoping that the government would bring in legislation giving us the autonomy we are seeking. This bill, however, does not do that, and that is why I do not think it should be treated so lightly. The bill in its

present state should not even be on the floor. If it had the substance which would bring some autonomy and a responsible government to the Northwest Territories, then I would be the first one on my feet to muster support for it, but not the way it is. All it does, as it stands, is put a few more seats on the territorial council.

If the government wishes to change the name from Northwest Territories Council to the Legislative Assembly of the Northwest Territories, that is no problem. The only cost involved is to rewrite a few lines to change the act. Not too long ago I introduced a private members' bill in an attempt to do that very thing, but the government did not seem to get too excited, nor did they voice their support.

I made some statements about this proposed legislation when I became aware of it a few months back. I put out a press release stating my views. Basically the theme of that press release, which I put out in June, 1978, was that "bigger is not necessarily better." I am sure that there are a large number of people in the Northwest Territories who agree with me, although I know that the minister has been able to quote accurately some people who are in favour of this increase in the size of the Territorial council, and that would be fair enough if they were given more responsibility to handle some of the very important matters and questions which have to be answered.

Many hon. members will remember the recent news reports from the communities of Rae/Edzo in the Northwest Territories. It was a prime example of the drastic housing situation there that was brought to light through an outbreak of tuberculosis, a disease which is commonly associated with the poverty stricken people of the world. I have harped on this situation since I have been a member of this House, but what I have been saying on behalf of my people on matters of this nature have fallen on deaf ears.

Now the Liberal government and the party to my right here are willing to take a little piece of legislation, give it all these fancy-sounding, kind words, and say that it is good for the north, that the people up there are asking for it, and "we will give it an hour and a half or two hours on a Friday afternoon to put it through all three stages, and rubber stamp it." They feel that that will keep the people of the Northwest Territories quiet for a while and make it seem as though they are getting some autonomy.

No matter what the results are of the next election, whether we have a Conservative government or a Liberal government, the situation will remain the same.

Mr. Paproski: No, no, Wally; it is not going to be the same.

Mr. Firth: You are willing to rubber-stamp it right now, and if you want the floor you can have it in just a few minutes.

Mr. Faulkner: Order.

Mr. Firth: This is nothing but some silly window dressing to keep the people of the Northwest Territories quiet. I was saying earlier that no matter which government gets in, the power will remain with the people in Ottawa. This bill does not give any autonomy to the people of the Northwest Territories, where there are some very major decisions to be made. There is some question about land claims and whether the Northwest Territories should be divided into two or three territories, as one area might be ready for provincial status before another. Some very good proposals have been put forward by native associations, and we should try to find answers to their questions regarding autonomy for the Northwest Territories.

• (1510)

Members of the Northwest Territories Council complain that they have to cover very large areas and that they experience difficulty in doing so. They believe that 15 members are not adequate. I know that very well myself, Mr. Speaker, and I made that point when I came here a few years ago. On behalf of the people of the Northwest Territories, I lobbied for an increase for federal representation and, as a result of my work, and with the support of many other people who are finally beginning to understand some of the problems of the area, there will be two federal members for the Northwest Territories after the next election.

Fully understanding the problems of trying to represent such a large area, I made a serious suggestion which I hope the government will take just as seriously. Indeed, I believe the Northwest Territories Council could implement my idea themselves. I suggested that members of the council should be elected on a full-time basis. As I understand it, they have the right to set their own salaries or stipends and operating expenses, so they could designate the positions as full-time as they are needed. The council only sits about four times a year, perhaps sometimes five, and for two or three weeks at a time. If the positions were made full-time perhaps that would even attract candidates of a higher calibre. I think this suggestion has fallen on deaf ears, however. Some people who cannot at present afford, for financial reasons, to run for council might be able to do so if the position were a full-time one. I reiterate that I do not believe that bigger is necessarily better in this case.

At present the colonial system operates in the Northwest Territories, as an appointed civil servant can, in effect, overrule elected members of council. As I understand it, the commissioner can withhold consent, which is much the same as the governor general or a lieutenant governor refusing royal assent to a bill. In my view, this is too much power for an appointed civil servant. I suggest that the bill should contain a clause to the effect that the commissioner be elected and I am sure this would bring more support for the bill.

What it amounts to in this day and age is a colonial situation in a country that has known democracy for a great many years. I believe that the Northwest Territories pays its own way, Mr. Speaker. This view may stir up a hornet's nest, of course, and I expect it will meet with disagreement from the other parties.

I should like to give some examples of areas where revenue comes in. For instance, there are two gold mines in Yellow-

knife, the Con mine and the Giant Yellowknife, and, of course, gold is a high-priced commodity at the moment. There is the Pine Point mine, a lead zinc operation. There is the Nanasivik operation in the Arctic which is a tungsten mine. There are the gas and oil wells at Norman Wells which have been operating for 40 years. There is a silver mine at Echo Bay and a gas pipeline coming out of Pointed Mountain. There is the fur industry, the commercial fishing industry, the business tax, some logging and personal income tax. There is great potential for gas and oil in the Liard area. There is great potential for agriculture. Many people are of the opinion that the north country is all ice and snow and therefore the chances of a good agricultural industry have not received the attention I believe they deserve.

I do not believe that we should have to prove we pay our own way before we can be given the responsibility of a fully elected government which is responsible to the people. I do not think democracy should have a dollar price tag on it. If provisions for this were made in the bill before us I would be more than happy to support it.

I should like now to comment on the position of members of the Conservative party, Mr. Speaker, who are on record as giving full support to Bill C-28. They are anxious to give it one or two hours in the House of Commons, rubber-stamp it, and hope that will keep the people of the Northwest Territories quiet for a while. That is different from the position put forward by the Progressive Conservative candidate for the Northwest Territories in the forthcoming election. Not long ago he made some comments about the situation which were reported in the *Yellowknifer*, the local newspaper, in November, 1977. Here is what the Progressive Conservative candidate for the western Arctic had to say:

> Let's not kid ourselves, we do not have responsible government in the Northwest Territories. Here the commissioner is the government and he makes that plain for all to see. The system of having an advisory executive committee comprising both elected and appointed members is really just a sham and a farce.
>
> People talk about responsible government as if it were responsible to have varying degrees of responsibility but this is pure nonsense.
>
> The chief executive officer of the Northwest Territories is either responsible to the federal minister in Ottawa, or he is responsible to the people of the N.W.T. There's no in between . . . It has to be Ottawa or the people.
>
> Regardless of whether or not we have full provincial status, this 19th century colonial approach must be given up. The commissioner has to be chosen by and responsible to the people he supposedly serves. Nothing else will do.

That was the position of the Progressive Conservative candidate in the Northwest Territories. Therefore I was somewhat dismayed to hear the hon. member for Moose Jaw say that we should give all three readings to this bill, and get it over and done with in a short period of time. I believe the bill should go to the Standing Committee on Indian Affairs and Northern Development. The committee should hear witnesses from the north. It could invite members of different organizations to come to Ottawa to present their case or, better still, the committee could travel to certain communities in the north and hear the views of the people of the Northwest Territories.

• (1520)

I know there are some who support this bill to increase the number. I have met with some of them. I have given a lot of thought to this. However, I certainly cannot support going through all readings of this bill in a short time. The topic of responsible government and autonomy for the north deserves much more time and very serious discussion by a lot more people than two or three speakers in this House trying to get the bill through in short order.

Another point I wish to touch on briefly is the special representative of the government, Mr. Drury, who travelled in the north and talked to a few people. If you look at some of the news articles, in fact you need only read the headlines, you will realize the people in the north are not happy with merely having an individual come and talk to them about this matter. The people of the north would like to see this topic discussed more seriously rather than this bit of window dressing for the Northwest Territories in a little two-clause bill.

That is about all I would like to say at this time. I want it clearly understood that I am not in favour of merely rubber stamping this bill and letting it go through the House in speedy order. It should be referred to the appropriate committee for very serious consideration.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I am pleased to say a few words this afternoon on Bill C-28. This is a short and seemingly innocuous bill since it hardly covers one sheet of paper. Nevertheless, it is certainly very important. While listening a few moments ago to the hon. member for the Northwest Territories (Mr. Firth), we could sense his concern, Mr. Speaker, over the lack of seriousness of this bill in view of the needs of the people in the territories. I think his concerns are warranted because he can certainly be considered a man well aware of the problems existing in his riding, the territories, problems which are larger than for the rest of Canada and which concern diverse regions with resources that can hardly be imagined from afar.

As several other government bills, Mr. Speaker, this one has had a long period of gestation. In 1974, the hon. Jean Chrétien, who was then minister of Indian affairs and northern development argued in favour of such a move. This is what he said at the time, and I quote:

> We must consider the need to increase the number of council members to better reflect the population changes.

That was the opinion of Jean Chrétien when he was minister. In 1977 the Council of the Northwest Territories submitted to the federal government a brief entitled "Priorities of the North" in which it also called for an amendment to the act. One could read, and I quote:

> The legislative assembly of the Northwest Territories should have the power to determine the number of its members, which should not be less than 15 or more than 25 as is the case for the Yukon. Those amendments should be in effect before the next election.

And we know that 1979 should be an election year in the territories. So this bill arouses the interest of both the federal government and the territories concerned. Why that double interest? Before I answer that question, I believe it would be appropriate to get the whole picture by describing briefly the status of the territories and the council. For all practical purposes the Northwest Territories are under the trusteeship of the federal government. A commissioner appointed by Ottawa looks after it. He gets his instructions from the Department of Indian Affairs and Northern Development. Mr. Stuart Hodgson is currently the commissioner.

The territories have, as we saw, a council made up of 15 members now. For the first time in 1975 that council became a truly elective council with a majority of native representation. In addition, there is an executive council where three of the 15 councillors and three officials of the federal government sit.

Under the legislation governing the territories, its government has jurisdiction over so-called local powers: education, social development, penitentiaries, administration of justice. For its part, the federal government takes on several provincial responsibilities: construction and maintenance of roads, lands and forests, health and so on. The situation created by the federal trusteeship, the distribution of powers as well as the ethnic diversity give the territories three possible options as to its constitutional future: (1) the status quo, (2) the nation, (3) the province. The status quo. The federal government would indeed like to keep the territories under its thumb. The discovery of substantial reserves of natural gas means an additional source of income for the central government. If the territories were given the status of a province, their income would then go to the provincial government and not to Ottawa as is now the case for Alberta, for example. Indeed, the right hon. Prime Minister (Mr. Trudeau) clearly stated that it was out of the question that the territories should become provinces. The fact is that other factors plead in favour of the status quo, namely the lack of sound economic basis and the sparse population.

The Indian nation. During the 1975 election which ended up with the creation of a council made up of a majority of natives, two Indians were elected. These representatives, namely Mr. James Wahshee, President of the Indian Association of the Northwest Territories and one of his friends resigned shortly after and were replaced by two Metis. In fact, they handed in their resignation to stress their desire to form an independent Indian nation within Canada. To them, the council does not serve their cause and the Canadian Tapirisat Inuit Association has similar purposes. Their position and that of the National Indian Brotherhood were submitted this summer or two summers ago to the Special Joint Committee of the Senate and the House of Commons on the Canadian Constitution. The Territorial Council was completely opposed to this plan. It said the following:

> The concept of separate analyses which divide people according only to their ethnic background and automatically denies the political rights of the minorities goes against not only Canadian political traditions, but also the "Canadian" constitution.

This concept does not agree either with the ideas of the right hon. Prime Minister.

Thirdly, there is provincial status. The idea of giving the status of a province to the territories seems to be very popular in the council. This transformation has been considered for several years. In 1975, when the council became an elective body, many people considered this the first step towards a responsible government. Mr. Arnold McCallum, president of the Territorial Council, is a supporter of provincial status. He submitted a brief to the joint committee last summer in which he listed a few of his reasons for requesting the status of a province.

First of all, in 1966, the Carrothers commission on the evolution of government in the Northwest Territories stated in one of its recommendations that all Canadian citizens were entitled to take part in the institutions of a responsible government under the terms of the Canadian constitution. It also stated that the Canadian citizens living in northern Canada should be able to play the same role in their government as the residents of the provinces. If such was the situation in 1966, it still is in 1978. Secondly, can there be a democracy when the commissioner of the territories can proceed without consulting the elected representatives and a federal minister can act without consulting in any way the Northwest Territories? Thirdly, we are the only Canadian legislative body which cannot set the number of its ridings. This is not to the credit of our democratic system. In fact, it has been said that many important changes will affect the territories in the more or less immediate future. Decisions therefore have to be made and they have to be made by a responsible government.

In the meantime, the federal government decided to study the situation. The Hon. C. M. Drury was directed to enquire on the constitutional aspects of land claims. At the time of his appointment, the right hon. Prime Minister said this and I quote:

> The government was not favourable to the creation of new political divisions in the north . . . essentially based on racial differences and direct relations with the federal government.

We may wonder, Mr. Speaker, what will be the purpose of this enquiry if conclusions are drawn in advance. In light of this brief summary, we can identify the objectives of this bill. First of all, the federal government answers the many requests of the territorial council by granting it a larger representation but without more powers. Somehow, it puts it in the same situation or even in a worse situation than that presently faced by provinces because of the tendency of the federal government to centralize all powers in Ottawa. So, Mr. Speaker, a larger representation of the territorial council might be of some benefit to it, as it might assume its responsibilities a little better or a little easier. Yet if they are not granted additional powers it will become very difficult because I think that when

somebody tries to do something, when he attempts to discharge his responsibilities he should have the power to do so.

So, Mr. Speaker, I think that at this time it is not enough to grant them more representatives on the territorial council; they should enjoy additional powers so that these representatives may better discharge their responsibilities. Secondly, by agreeing to one of the demands of the council the federal government is somehow trying to appease that body in its claims for provincial status at least for the time being. They are trying to make it wait by applying liniment on the wound in the hope that they will be patient a few more years. Thirdly, by granting additional representation, the government hopes that it will show itself more sympathetic to the people, namely that there will be more natives on that council be they Inuit or Indian people. It is also an attempt to put an end to or shelve Indian claims for independent nationhood. The government hopes that they will forget their objective and come around to its views.

So, Mr. Speaker, it is quite certain that by presenting this bill the government is seeking self-serving objectives. What remains to be seen is whether these objectives will answer the expectations of the members of the council and the residents of the Northwest Territories. I agree with my colleague from the Northwest Territories and I think that we should not be too quick in passing this bill. It should perhaps be passed at second reading stage today, then referred to a committee so that representatives and organized groups from the Northwest Territories may be heard before the committee and spell out what they want and what they expect from the central government.

● (1530)

[*English*]

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development): Mr. Speaker, because of the understanding which exists—

The Acting Speaker (Mr. Ethier): Order, please. I must inform hon. members that recognizing the minister at this time will close the debate.

Mr. Faulkner: Yes, Mr. Speaker. Because of that understanding I will take another occasion upon which to respond to some of the points which have been raised in the debate. However, there are one or two points which I believe it is important I should deal with now. One is the assertion of the hon. member for Moose Jaw (Mr. Neil) that we are not involving the YPG on the Northwest Territories government in the land claims discussions. I should like to say that as a result of concern expressed about the nature of consultation in the past I have agreed to develop memoranda of understanding with the governments of the Yukon and of the Territories which would lay out the nature of the participation of those governments in the land claim's discussions. This showed clear up an issue which has been of some concern to the north.

[Mr. Laprise.]

● (1540)

The hon. member for Northwest Territories (Mr. Firth) suggests that this bill is window dressing, and he argues that autonomy and responsible government require much more time. He must recognize that it is precisely because the questions of autonomy and responsible government are now under review in the Northwest Territories that more time is required. More study, and the completion of the work of the special representative are required. It is precisely because of those things that this bill has such modest and limited intentions. I think the hon. member would be the first to admit that if we went into the areas the hon. member referred to at this point without consultations being completed, without the work of the special representative being completed, and without adequate consultation with the native groups and the territorial council, they would all have objected to this bill. The reason this bill is supported in the north is that its objectives are limited to the one area where there appears to be general support. There appears to be general support for the proposal that the size of the council be increased in number from 15 to 22.

The other question raised by the hon. member are not being avoided by this bill. It is just that no one agrees that we are ready to address those questions at this time. However, I do not think there is any doubt in anyone's mind that next year, following the completion of the work of the special representative, we will then be in a position to conduct a major review of the Northwest Territories Act, at which point we will deal with the substantive questions the hon. member has raised.

Mr. Neil: Mr. Speaker, I wonder if I could ask the minister a question. When the memorandum of understanding is completed, will he circulate it to members on this side of the House?

Mr. Faulkner: Yes, Mr. Speaker, I would be pleased to do that.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

TRANSPORTATION OF DANGEROUS GOODS ACT

MEASURE TO PROMOTE SAFETY AND TO PROTECT ENVIRONMENT

Hon. Bud Cullen (for the Minister of Transport) moved that Bill C-17, to promote public safety and the protection of the environment in the transportation of dangerous goods, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, on behalf of my colleague, the Minister of Transport (Mr. Lang), I should say that he is in Newfoundland, a very important part of this country, as I am sure my hon. colleagues opposite would concede, signing agreements which I think will be for the benefit of that province.

Canada's growing trade relations with other countries on other continents, combined with rapid technological change in the transportation industry and the increasing use of dangerous substances in common manufacturing processes, have generated an urgent need to regulate the transportation of dangerous goods.

The wide variety of legislative instruments which are currently being used to regulate the transportation of dangerous goods has been proclaimed by various levels of government at various times and in connection with individual modes of transport or specific goods. Obviously it cannot be claimed that, even taken as a whole, they will provide a satisfactory method of ensuring that these goods will enter, pass through, and leave the transportation system safely or economically. On the contrary, manufacturers, shippers and carriers of dangerous goods are at present faced with a confusing maze of regulations, depending on the means of transport being used and the places to or from which goods are being carried. Canada is not alone in having to face the need to resolve this problem, but we can take some pride in saying that with the valuable support of the provinces and of the industries concerned we are among the world leaders in formulating multimodal legislation in this area.

Bill C-17, to promote public safety and the protection of the environment in the transportation of dangerous goods, will impose fairly severe penalties on those involved in the transportation of dangerous goods who seek to avoid their responsibilities. That in this country such persons are remarkably few in number is strikingly demonstrated by the absence of serious accidents involving the transportation of dangerous goods in Canada. It is no longer possible, however, to rely solely on domestic standards to maintain this safety record. In any event, there is one area of activity where no uniform safety requirements are in force in this country, namely, highway transport.

Dealing with the international aspects first, it is obvious that, just as standards for container safety cannot be left to individual nations to determine, standards governing the packaging, marking and methods of handling dangerous goods must be international in nature.

Since 1957 a committee of experts on the transport of dangerous goods has been reporting to the economic and social council of the United Nations and making recommendations dealing with the matters to which I have just referred. Canada has been an active member on that committee, and there is now a substantial area of international agreement on the standards to be applied, sufficent to warrant major legislation by the Government of Canada. Such legislation would establish norms and provide for detailed regulations setting out the duties and responsibilities of all those involved, from the moment when goods are prepared for shipment until they arrive at their final destination.

As I have said, highway transport raises special problems within Canada as well as between Canada and the United States. The problems which arise within Canada result from the fact that for the most part highway traffic and highway safety legislation is within provincial jurisdiction, as are incidental laws relating to such matters as labour safety, environmental protection, and emergency response planning. As a result, different standards may be required by each province. This problem is compounded by the fact that the United States has its own standards, which may be partly acceptable or totally acceptable in some provinces but not in others, and may or may not conflict with Canadian federal laws and regulations.

There has been a great deal of co-operation between our two countries, chiefly by means of reciprocal agreements to accept the standards of the other country for packaging and labelling. There are, however, some areas where less easily soluble problems have begun to arise, for example, the Canadian and Quebec requirements that all shipping documents and package markings be in French and English—a characteristic which does not commend itself to the United States—and the Canadian desire to adopt World Health Organization toxicity standards, which would lead to more substances being regulated in Canada than in the United States.

Uniform legislation within Canada would obviously facilitate the negotiation of mutually acceptable arrangements with the United States in these and other areas. To the extent that Canada as a country can implement United Nations standards, the need for uniform rules for all modes of transport for industries involved in the manufacturing and shipping of dangerous goods can also be met.

This is an ideal shared by industry and government alike, and is demonstrated by the clearly expressed desire of all concerned for consistent and comprehensive regulation in this field, a desire which contrasts markedly with the current trend to criticize government intervention in the private sector.

At first glance, some affected parties might have reacted adversely to the idea that their paper work apparently was going to be increased and their overhead costs escalated by the introduction of yet another piece of transport legislation. In fact, they have for the most part realized that the effect of the proposed transportation of dangerous goods act and regulations will be the very opposite. Where now three or more documents may be required if goods are being transferred

from one mode of transport to another, across provincial boundaries, and on board ships or planes destined for overseas, the new legislation will reduce the number of shipping documents required to the minimum. Similarly, marking and labelling of packages and containers will be simplified, as will packaging requirements themselves, so that goods will not have to be unpacked and repacked or unlabelled and relabelled every time they are transferred from one place to another or from one means of transport to another.

In sum, the bill contains provisions which will enable safety standards, procedures and marks to be applied uniformly to all classes of dangerous goods, regardless of the mode or modes of transport by which they may be travelling. It takes into account the duties and responsibilities of all of those involved in the preparation, handling and transportation of such products, and imposes on them whatever liabilities are appropriate to their role in the transportation process. Indeed, for the first time, it will make those who buy and sell dangerous goods as responsible as the carriers traditionally have been for the safe transport of those products.

Conformity with the regulations and standards which will follow from the passage of this legislation will be enforced by specially trained inspectors, some employed directly by Transport Canada and some by other government departments at the federal, provincial and municipal levels. These inspectors will have fairly extensive powers of inspection and detention of potentially hazardous goods or packages and will be able to impose fines in certain circumstances. They will also be in a position to take all possible measures to contain the effects of accidents or incidents involving dangerous goods in transport.

● (1550)

The bill thus represents one of three prongs of a comprehensive safety program for the transportation of dangerous goods, the first being a legislative instrument designed to deal with the serious consequences of transporting dangerous goods in an unsafe manner. The second prong of the safety program will be the development of multi-modal regulations under the authority of the bill to ensure that dangerous goods are properly identified as being dangerous and that they enter, pass through, and leave the transportation system in a safe and economic way. The third prong will be the development of an emergency response program in co-operation with other federal agencies and with the provinces.

It goes without saying that legislation cannot prevent accidents. But it can reduce them by deterring people from taking unnecessary risks, and it can mitigate ensuing damages by enabling emergency response personnel to react in the most appropriate manner when such accidents occur.

I referred earlier, Mr. Speaker, to a common desire for regulation in this area. That this desire is shared by the Government of Canada with the governments of the provinces and the industries involved has been demonstrated over the past four or five years by an unprecedented degree of consultation and co-operation between all three in attempting to formulate mutually acceptable legislation and regulations. That it is shared with the United States and other major trading partners has been demonstrated by the concentrated and fruitful discussions that have taken place within the framework of specialized agencies of the United Nations, such as the International Maritime Consultative Organization, the International Civil Aviation Organization, the Economic and Social Council, the Economic Commission for Europe, and between specialists in Transport Canada and the United States department of transport.

Now a third party may be said to have intervened: the general public. As a result of the publicity given to the increasing number of transportation accidents and incidents involving dangerous goods, there is a growing public awareness of the dangers to human life and to the environment presented by new and ever more powerful and potentially destructive chemicals travelling across the country. This awareness is giving rise to frequent questions directed to Transport Canada to find out how the transportation of such goods is regulated in this country.

I hope that I have persuaded hon. members of the vital need for uniform legislation governing the transportation of dangerous goods in Canada, both from the point of view of safety and with respect to the maintenance of good and prosperous trade relations with other countries. The Government of Canada has played a very active part in inter-provincial and international attempts to establish uniform safety standards, and it is in our best interest to proceed with the enabling legislation contained in Bill C-17.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, at the outset may I say that our party supports the principle and therefore the major objective of this piece of legislation. I believe it is fair to say as well that we acknowledge the need for such a piece of legislation, given the fact that there has been an increasing number of fatal and near fatal incidents involving dangerous goods, which unquestionably highlights the need for a co-ordinated law which is put before us in the form of this bill now, and to ensure that the public interest will be assured and that the movement of dangerous goods will not harm the Canadian public.

I would like to say also that we on this side of the House are disturbed and disappointed by the piecemeal approach of the government relative to transportation since the Minister of Transport (Mr. Lang) has taken over the helm. We believe that we should have before us the comprehensive new policy thrust which had been introduced in the form of Bill C-33 back in 1976. A similar bill was reintroduced in the form of Bill C-20. We have had a series of white papers and policy statements advanced by the Minister of Transport as a result of the government's new policy thrust, but none of those documents has ever been referred to a committee for consideration. Perhaps they were discussed only at a committee meeting or two.

I want to say to you, sir, that the Standing Committee on Transport and Communications is probably one of the most underutilized and underemployed committees of the House, in spite of the fact that transportation is key to the attainment of

balanced economic growth in this country, key to the establishment of a sound industrial base, and key to the provision of some semblance of national unity. Yet the subject matter has not progressed from the order paper, has not been considered by the committee, and we have not had the opportunity to obtain the views and opinions of the numerous people engaged and interested in transportation in this country, the shippers, the carriers, and everyone who has a vital interest in transportation.

We think it would have been much more appropriate to deal with the total package, to have a comprehensive program and then to put the respective pieces of legislation together, such as the ports act. There has been a suggestion that we should proceed with the ports act. Also, in our view, we should proceed with the amendments to the National Transportation Act before we proceed with this bill because it contains the outline, the basic policy guidelines and the framework of a comprehensive national transportation system in this country. We think that the National Transportation Act requires a substantial amount of debate because there are regional differences on the matter, there are various freight rate anomalies, and safety in the movement of goods is but one element. So we think it would have been more appropriate to deal with it in the orderly fashion I suggest rather than in the way in which we are proceeding.

I know that the Minister of Employment and Immigration (Mr. Cullen) has no control over this, that he has simply submitted this bill on behalf of his colleague, and I certainly do not fault him, but I think that that message should ring very clearly in the minds of government members because we have not proceeded in an effective fashion in dealing with the transportation problems in our country. We have a serious grain transportation problem and serious problems relative to air safety, so it seems to me that a clear and co-ordinated transportation policy should be put in place. We have a committee of the House, and we can utilize the institution of parliament in a much more effective way than we have done to deal with these important issues.

I said at the outset of my remarks that we approve of the principle of the bill before us and indeed of its objectives, but I must say that we insist that these objectives be met without imposing excessive costs or hardships, and with the minimum of restraint put upon the operations of the carriers and the shippers. It must be recognized by all concerned—because we consider this to be a very important piece of legislation—that this bill is really an extension of the Criminal Code, not merely a transportation law. Although the minister indicated that this was enabling legislation, I suspect, although I am not a lawyer, that it tends to minimize its enabling aspects. This bill has many implications, and the impact of its regulations will have a critical effect. So it is absolutely necessary for the regulations which will be prescribed to be reasonable, well-founded, and understood, and that the implications with respect to their enforcement be clearly considered.

The minister spoke about the importance of the bill's international aspects. While this is true, we must not lose sight of the fact that for the time being, and perhaps for some time in the future, our major trading partner is and will be the United States.

• (1600)

Before adopting any set of regulations we should consult to the fullest with the industry and the provinces. The key to the effectiveness of this piece of legislation certainly is inherent in the regulations. The provinces must make major contributions in determining what the regulations will be because of the enabling aspect of it and the clear constitutional responsibility of the provinces.

That brings me to the dangerous goods code, and perhaps I might call it four o'clock before dealing with that subject.

* * *

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before we proceed to private members' hour, I wonder if there was not an agreement yesterday that we would pass without debate today the motion to refer a document entitled "The Management of Canada's Nuclear Wastes" to the Standing Committee on National Resources and Public Works. If that is the case, and if there is a disposition to carry out that undertaking, perhaps it can be done now.

Mr. Baker (Grenville-Carleton): Mr. Speaker, respecting the point of order, there was such an agreement. We would be prepared to do that now.

While I am on my feet I should like to mention that there was some discussion earlier in the day concerning the possibility of the government making available later this day the bill respecting the allocation of petroleum and energy, if that is the appropriate way to describe it, and if I recall the minister's words correctly. The government was to attempt to make available that bill to the House, to introduce it and distribute it so that it can be studied.

While the parliamentary secretary is dealing with the matter of the reference to which the hon. member for Winnipeg North Centre referred, he might tell us whether the government will introduce that bill now. As we mentioned earlier, we are prepared to revert to introduction of bills in order to do that. We were left with the impression that that might be done this afternoon. Perhaps the parliamentary secretary can inform the House.

Mr. Pinard: Mr. Speaker, concerning the motion to refer the document entitled "The Management of Canada's Nuclear Wastes" to the appropriate committee, an agreement was arrived at yesterday. Thus, that is not a problem.

Concerning the request of the hon. member for Grenville-Carleton, I understand he expected the bill to be introduced today with the consent of the House.

Mr. Baker (Grenville-Carleton): Yes.

Mr. Pinard: It is obvious the bill is not completely ready now. Perhaps it will be completed before five o'clock. If it is, I am sure the Deputy Prime Minister and President of the Privy Council will come into the House and seek unanimous consent to introduce it. I cannot make any commitment on that because I do not know if the bill will be ready before five o'clock.

Also while I am on my feet, there is unanimous consent to proceed with the consideration of Bill C-214 and that the preceding item numbers be allowed to stand.

Mr. Forrestall: Mr. Speaker, the understanding is that we will proceed with item No. 7 in the name of the Minister of Energy, Mines and Resources and take the appropriate steps to move that to the next stage before proceeding with the consideration of Bill C-214. I think that is the understanding.

* * *

ENERGY

REFERENCE TO STANDING COMMITTEE OF DOCUMENT "THE MANAGEMENT OF CANADA'S NUCLEAR WASTES" AND EVIDENCE ADDUCED THEREON

Hon. Bud Cullen (for Mr. Gillespie) moved:

That the document entitled "The Management of Canada's Nuclear Wastes", tabled Tuesday, November 22, 1977 (Sessional Paper No. 303-4/96), together with the evidence adduced thereon in the Third Session of the Thirtieth Parliament, be referred to the Standing Committee on National Resources and Public Works.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Ethier): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions, and private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Ethier): Is item No. 9 standing in the name of the hon. member for Burnaby-Richmond-Delta (Mr. Siddon) stood by unanimous agreement?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Is item No. 10 standing in the name of the hon. member for Davenport (Mr. Caccia) stood by unanimous agreement?

Some hon. Members: Agreed.

[Mr. Baker (Grenville-Carleton).]

The Acting Speaker (Mr. Ethier): Is item No. 13 standing in the name of the hon. member for Prince George-Peace River (Mr. Oberle) stood by unanimous agreement?

Some hon. Members: Agreed.

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CANADA SUNSET ACT

MEASURE TO SUBJECT ALL GOVERNMENT PROGRAMS AND OPERATIONS TO REGULAR REVIEW

Mr. J. M. Forrestall (Dartmouth-Halifax East) moved that Bill C-214, to establish a Sunset Law for Canada, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Mr. Speaker, a year ago this month I had an opportunity, during debate on a motion regarding the role and scope of government activity in society and the economy, to speak on the subject of sunset laws. At that time I read into the record a suggested draft bill on the sunset concept. The bill we are discussing today is primarily the same as that earlier draft. As a private member's bill, of course it is limited by the constraints which restrict all private members' bills. Nevertheless, I feel it provides a solid base to discuss a pragmatic and promising approach to the problem of increasingly overgrown and unresponsive government.

The proliferation of federal agencies, commissions, boards, offices and even ministries, which have sprouted forth in such numbers in recent years, must be brought under some kind of control and scrutiny. The problem with these agencies and programs, which perhaps were established originally for a specific and worth-while purpose, is that they seem to defy the laws of nature. They never die natural deaths; they seem to acquire a life of their own. Even if they were set up originally with a narrowly defined purpose, they tend to generate new functions and responsibilities almost by an unconscious reflex action. Over time, what was once a responsive and flexible agency can become a tangled labyrinth, snarled in its own complexity and buried beneath the weight of "proper" procedures.

I feel the sunset law approach is essential, but it is not the only instrument available to us. It is essential if we are to control some of the bureaucratic sprawl. Such legislation would provide for the periodic termination of government agencies and programs unless they are able to justify their continued existence. The sunset concept involves setting fixed dates for the automatic termination of government agencies and programs in order to force their full-scale review. If this review shows they have served the purpose for which they were created, then a positive legislative act, resolution or some other positive act would be required to extend the life of a particular agency or program. However, if one was deemed to be no longer relevant, useful or necessary, then it would be either modified or allowed to terminate.

I do not think it is necessary to go into the mechanics or major elements of the bill because I spelled these out in some detail last February. In addition, I believe the bill itself is clear and relatively straightforward, and for this I owe a vote of thanks to the parliamentary counsel's office for its help and advice. However, there are two points I think should be made and perhaps dealt with at least briefly at this time.

• (1610)

First, the schedules attached to the bill are designed as a suggested format or timetable, if you will, for carrying out the mandatory review of existing programs and agencies. It may be decided that the committee, which I have suggested should carry out such a review, would be in a better position to establish such a timetable. If so, I am sure that would be more than acceptable to the concept and principles we have before us for consideration now.

The second point of clarification pertains to the need for competent support staff assigned to the committee to assist it in undertaking the broad based evaluation of programs and agencies which is necessary. Because of the restrictions on private members' legislation I could not write this very important and absolutely necessary feature into my bill. As you know, we are not allowed to suggest the spending or the raising of money. However, if this House is to adopt the sunset concept, then the designated committee or procedure, whatever, must be properly equipped to do the job.

In this context I recognize there are many people who suggest the job of reviewing each and every program and agency of government might in itself create an enormous bureaucratic burden. We will not know that unless we try. Program evaluation as such has not been seen in my experience to bring an end to existing programs within this government, programs that are no longer fulfilling or meeting the reason for their establishment in the first place.

As the size of government increases, so increases the amount and the level of mandatory funding. Administrative costs escalate, and there is a decrease in the amount of money available for new purposes and new needs. This is particularly true in a growing and expanding country such as Canada with the many geographically related problems we face. The type of legislation which I propose is a means to balance funds allocated for agencies or programs established years ago with new needs and new priorities facing Canada in the 1970s and 1980s.

As money grows more and more scarce, essential programs and services must be run more economically and efficiently. The sunset process could provide a way to ensure the greatest control of and accountability for all public funds.

However, sunset legislation should not be viewed as merely the means of cutting or reducing government spending. Though certainly one of the goals of this approach and of this form of legislation, that is not the sole objective. Equally as important is the need to make government again truly answerable to the people of this country. Canadians are understandably beginning to feel that they are becoming the servants and not the beneficiairies of our form of government. Perhaps this feeling is strongest at this time of year when we are forced to undergo that unique Canadian form of water torture known as filing you income tax return. It is not just tax forms, it is the broad gamut of government, which has become so complex, that it has forced us to create additional offices simply to explain to Canadians where they can obtain assistance and understanding of the functions and roles of agencies and programs being undertaken by the government.

As my esteemed and very distinguished colleague, the hon. member for Halifax (Mr. Stanfield), has said, perhaps it is too late for us to regain control of the machinery of government and its complexity. I differ with him to this degree; I do not think it is too late for us to try. He may be right, but I hope not.

The government has complicated the life of the small businessman to such an extent it has had to create a special office for the "reduction of paper burden". My secretary has on her phone a piece of paper which says "If you do not understand it, call me and we will tell you." This is an office to explain paper burden. Good God, what are we coming to? This office even supplies little red stickers with its telephone number that can be stuck on the phone for quick reference. Can you imagine this paper burden number stuck there on the telephone beside other emergency numbers for the police, the fire department, the ambulance and so on?

An hon. Member: They have the biggest Xerox machine imaginable.

Mr. Forrestall: The biggest Xerox machine in the world could not keep up with this. We are in some degree of trouble when we reach this stage. Just to illustrate for a moment or two, let me refer to the fact that one of the reasons for the establishment of PetroCan was to create an agency of government that could deal with the governments of other countries for the express purpose of obtaining crude oil and its delivery. As you know, this country is not secure in its oil supply for reasons that are totally inexplicable. We are told on the one hand by one industry that we have generations of self-sufficiency but we do not have a distribution system. Millions of people living east of this Ottawa Valley where we are sitting today are at the whim of foreign nationals in respect of security of home heating fuels and gasoline. This year we will pay close to $4 billion to foreign-controlled cartels to move our trade goods into this country and our exports out, all of which is totally out of our control.

PetroCan has not secured one gallon of oil for the people of eastern Canada since its establishment. Good God, that was what it was established for. I am suggesting, not in any forceful way, that PetroCan should be thrown out the window. I think it should be dismantled or, if it is not, it should work for the purpose for which it was brought into being, and that is to secure oil deliveries to eastern Canadian refineries. I just mention this as a typical example. Had PetroCan been under the scrutiny of a competent standing committee of this House, whose purpose and function it was to review its role,

the work it is doing, and to ascertain whether it was meeting the principles and concepts for which it had been established, perhaps today refineries in eastern Canada might have the ability to say to the people of Atlantic Canada, "You will get your fuel oil, your home heating fuels and your gasoline for next winter." As it stands now, we do not know that. I do not know the reason for this either.

I do not want to be accused of talking out my own bill, but I do want very briefly to mention one other potentially very positive aspect of sunset legislation, and that is the ability of the legislation to involve ordinary people directly in the review process. Perhaps this could provide some real meaning to that almost forgotten slogan "participatory democracy". In any event it would seem natural that the designated committee would want to hear from those individuals and organizations directly affected by a particular program or agency. By appearing before a committee these groups could offer an insight into the effectiveness of certain government activities which we seldom receive.

● (1620)

The secrecy surrounding government activities in recent years is appalling on its own, and I do not think that I need to take up the time of the House with a dissertation on some of the sad examples of the consequences of secrecy. I say that we should put these programs and agencies up for review in a public forum responsible to this chamber, and made up of members from all sides of the House. The government should expose itself to the people of the country, particularly those who are directly affected; then they would have some assistance in the formulation of future program policies.

In summing up, I hope that hon. members will feel that the subject matter of this bill deserves further study. I firmly believe that the sunset approach offers a practical means of ensuring that public funds are economically and efficiently spent. It is my objective as a Progressive Conservative member of parliament, and it has been for the 14 years I have been a member of this House, to look for new ways in an attempt to balance our budget. It does not necessarily have to be sunset law, but I ask hon. members to take a look at the proposed bill and what is implied in it, to look at their daily work and the mail which comes across their desks, at the time and energy spent in responding to that mail, and to think for a moment of the time, energy and dollars consumed in the ministers' offices to secure answers for constituents, and then make a judgment about some approach to the proliferation of agencies, programs and departments and, indeed, even ministries which we are faced with today, so that we do not take quite ten years before we get around to doing something useful about it.

I want economy and efficiency, and one of the ways to get it within the agencies and programs of this government is through the responsibility and accountability of them to the public. It is also a means of involving Canadians directly in those areas of government which affect them most, and this, in my view, is very important.

[Mr. Forrestall.]

I have one final comment. Some eight or ten years ago I proposed, not a new concept to the western world, to this chamber, and I have done so in every parliamentary session since 1969-1970—the concept of an independent accident investigation commission. The other day the Minister of Transport (Mr. Lang) finally allowed, perhaps because of the heat he was under with respect to standards of safety in transport in this country, the introduction of a bill which emulates the one that I had put before this chamber so many times in recent years. I do not mind waiting seven years, eight years or nine years—now it will probably be ten years—for a good concept to find its way into legislation, but I hope, for the sake of the Canadian economy, and to cope with a growing, sometimes almost unmanageable labyrinth of agencies and programs, that it will not take this long for members of this chamber to recognize that there is some validity in this concept.

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, in speaking on this bill I have decided to take a pragmatic approach. I do not think that it will work. It will not work as it is now presented, for a variety of reasons. For instance, the workload it would impose on parliamentarians would be overwhelming, and diverse opinions from diverse public groups would cloud the issues which would be fundamental to any review process. Sheer work volume would make reviews superficial and ineffective, and forward looking futuristic type programs vital in a changing society would get short shrift in favour of what was appealing on a short-term basis.

There are, in my opinion, many other reasons equally compelling that militate against the proposal advanced in this legislation.

Mr. Forrestall: It is a good idea.

Mr. Béchard: Beyond the negative aspects, there is the other very practical question as to whether it is necessary. I suggest to hon. members that it is not. The government has mechanisms—they have been mentioned by others—and it has the authority, by virtue of its majority, to review any program or any project that it deems has outlived its usefulness. So where does this leave the proposed legislation? It leaves it in the position of being unworkable and undesirable.

I would like, Mr. Speaker, to add substance to these rather bald statements to show why this legislation is impractical for this nation at this time, even though the intent is laudable. Sunset legislation provides a predetermined termination date. In other words, before any project is ever launched, someone has planned its demise unless, of course, it can be demonstrated somewhere down the line that it should be kept alive. In isolation, that seems to me to be a fairly inflexible and somewhat illogical approach. In fairness, though, this proposal is not so much to eliminate programs but to evaluate them, and the termination date is simply a mechanism to force that into happening.

There are other problems with this legislation. This enforced evaluation system on a predetermined schedule is first cousin

to zero-base budgeting. Zero-base budgeting is the buzz word which came along with President Carter in the United States and which, if hon. members have been following its progression, has not been getting the attention it did only one or two years ago. I think this is because some people in the United States have recognized that this approach can only work under certain circumstances.

Zero-base budgeting means exactly what it says, that each year the manager goes back to zero and builds his program from there. It is a tool to analyse and evaluate project effectiveness, just as this sunset legislation is designed to force analysis and evaluation of projects in Canada. The projects then are ranked and fitted in with the money which is available.

In a *Harvard Business Review* article entitled "Where does zero-base budgeting work?", James D. Suver and Ray L. Brown quoted the following definition as the most concise:

> Perhaps the essence of zero-base budgeting is simply that an agency provides a defence of its budget request that makes no reference to the level of previous appropriations.

They go on to say that all definitions of ZBB "express one common thought." The manager must be able to justify each activity's projected level of expenditures in total, and no level is taken for granted. They went on to say:

> In this light, zero-base budgeting becomes just another management tool, which can be used to review, analyse and evaluate budget requests.

What is really being discussed in this bill is the development of a management tool, but like zero-base budgeting, the overriding problem is the unwieldy and monumental task of reviewing thousands of what are described as decision packages each year.

● (1630)

Can you imagine the horrendous bottleneck that would be created for the parliamentary process in this country? Every program would have to be treated the same. Members could not simply pick and choose those that tickle their fancy because that, in my opinion, would be a dereliction of duty. Many uninteresting projects are vital to the well-being of our nation and need the same level of attention as the glamour issues. Members therefore would have a tremendous addition to their daily work load which, given the sheer volume, would undermine the fundamental objectives of the program.

But in addition to that criticism of overwhelming volume, there is the very real problem of passing judgment on a whole host of issues that are advanced by extremely talented specialists. I suggest to you, Mr. Speaker, that I would want to have a considerable amount of expertise if I were placed in the position of having to weigh the merits of a program geared to oil resource development or coal resource development, knowing only one of the two could be funded. This is only one example in an almost endless list of possibilities.

Add to that problem of acquiring basic knowledge the companion issue raised by my colleagues: the influence of pressure groups. Suppose that the coal industry had an exceedingly effective organization promoting its interest and that the oil producers, being fragmented by a whole lot of internal bickering, had an ineffective voice. What would happen? Would the judgment of those conducting the reviews be impaired by the selective evidence they would be receiving? Maybe not, but I believe all members would agree that it is possible.

Put that in the context of social services. Would the services for the aged and the poor suffer because they are ill-equipped to mount the kind of pressure that a more wealthy segment of society could mount? Remember, Mr. Speaker, the process requires ranking of priorities to fit within a predetermined financial framework.

From an effectiveness standpoint, then, Mr. Speaker, there is room for concern. Let us look at the efficiency feature. Sunset legislation requires that a re-evaluation take place at a specific time. It does not matter that it is obvious to all concerned that the program is worth-while and should be continued—it must be evaluated. That opens the door to a host of problems, including grandstanding and electioneering on the thin pretext of examining proposed expenditures. It really is not a very efficient way of dealing with the intent of this legislation.

Because of the similarity between sunset legislation and the zero-based budgeting concept practised in the United States, I would like to borrow from their experience. While some find zero-based budgeting a good tool, there is also evidence that many programs receive routine endorsement because there is not time for appropriate evaluation. Some programs never are serious contenders for termination. In Canada, these could include national defence, family allowances and national revenue. No new evaluation system would reverse the perception of the timeliness of these programs, even if inefficiencies were revealed.

I would like to quote some of the comments from those who should know in the United States. Sunset laws, and the zero-based budgeting that it implies, are not magic wands that will solve problems overnight. No one claims that they are. James D. Suver and Ray L. Brown, whom I quoted a moment ago, had this to say:

> But are users of the technique happy with it? Phyrr said that Texas Instruments was happy with it . . . The city of Wilmington, Delaware found it useful and intends to continue using it . . .
>
> The experience of the Department of Agriculture with its ground-up budget in 1962 was also mixed. Interviews with every high-level person who was intimately involved with the effort revealed that few decisions were made and savings were insignificant. However, other benefits were reported by almost one half of those interviewed . . . The experience of the state of Georgia seems similar. A survey of department heads and their budget analysts concluded that there were three primary advantages associated with that state's use of zero-base budgeting:
>
> 1. The establishment of a financial planning phase prior to budget preparation.
>
> 2. An improvement in the quality of management information.
>
> 3. An increase in the budget involvement of personnel at the activity level.
>
> The survey cited three disadvantages as well.
>
> 1. An increase in time and effort, required for budget preparation—"This is a very serious problem."
>
> 2. A contention that the new system had not significantly affected the allocation of funds . . .

3. An ineffectiveness of the decision-package ranking approach to meet changes in the level of funding.

Finally, Mr. Speaker, there is the implementation problem. This kind of legislation cannot be introduced overnight and the introduction process presents serious problems.

Senator Muskie, who proposed a sunset law in the United States, is quoted as saying that "pilot testing would inevitably require selecting out certain programs or agencies for the initial trial runs." This, Muskie believes, "would jeopardize the principle of neutrality, thereby conceivably making the process politically unworkable."

As hon. members know, this whole subject of sunset and similar legislation is being examined by the Royal Commission on Financial Management and Accountability. The government will examine closely the findings of that commission and consider carefully any recommendations that may be forthcoming.

I can assure hon. members, however, that this government is too concerned about expenditures and program effectiveness to sit on its collective hands, waiting for a commission report. Many initiatives have already been taken to meet the kind of objectives I believe the hon. member for Dartmouth-Halifax East (Mr. Forrestall) had in mind when he proposed this legislation. The roles of the Auditor General and the Comptroller General have been defined to ensure a measure of cost-effectiveness adjudication.

Performance measurement would quickly identify programs where the original goals were no longer being met. In the 1977 annual report on this continuing program it was stated that for project-type activities, the following certain basic steps are important:

the establishment of objectives for the project and for each component;

the selection of projects to be undertaken in light of priorities, objectives and available resources;

the development of plans and cost estimates for each project;

the establishment of suitable means for regularly monitoring performance in key areas such as actual-to-estimated costs, actual-to-estimated schedule of completions and actual-to-planned results for each project;

the review or evaluation of results after each project is completed.

That 1977 report goes on as follows:

It is essential that performance measurement be considered an inherent and indispensable part of the program management process, since it provides the feedback that all managers need to control program operations and to render a proper accounting for the public funds entrusted to them.

The regular monitoring of the ongoing performance of programs is an essential element in the government management process, but it is not the whole story. It is necessary to subject programs to periodic, objective evaluations with a view to:

changing and improving the ways in which programs are operated;

clarifying program objectives;

reducing or eliminating programs, or aspects of programs, which have become redundant or of a low priority;

identifying programs, or aspects of programs, which may have increased in relative priority.

● (1640)

Treasury Board has recently approved a policy requiring departments and agencies to conduct such evaluation of programs, with the results to be communicated directly to deputy heads of departments and heads of agencies and other appropriate levels of management.

In addition, the Treasury Board secretariat is actively encouraging departments to undertake A-Base reviews. These are internal reviews of the basic programs. The advantage of this system is that it is flexible and selective, overcoming the very serious problem of universality. This program does not, at the present time, provide for any parliamentary involvement but it does indicate the high priority given by the government to evaluation of its programs.

There are plans under way, as was indicated in the recent Speech from the Throne, for parliamentary involvement in program reviews. The government committed itself to providing members with an opportunity to become directly involved in the review process. Naturally, any review—and this includes sunset legislation—of federal programs would be restricted to those over which the federal government has total and exclusive control.

When you are examining federal government expenditures it must be recognized that only $14.3 billion spending estimates of $48.3 billion for 1978-79 are for the direct operations of the federal government. The biggest part of total spending—well over $20 billion—is in transfer payments to individuals and the provinces. Sunset legislation as now proposed could not touch these programs that cross jurisdictional boundaries. That would immediately diffuse any effectiveness that it may have had to offer.

So, in conclusion, Mr. Speaker, the government does have control mechanisms in place. It is awaiting additional information and recommendations from a royal commission. Sunset legislation hasn't been an unqualified success in other jurisdictions. For all these reasons, and more, I cannot support this legislation.

[Mr. Béchard.]

ROUTINE PROCEEDINGS

[*English*]

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I rise on a point of order to seek the consent of the House to go back to that portion of the daily routine of business dealing with introduction of bills, and to seek the consent of the House to waive the required notice so that I can have introduced a bill to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada.

Mr. Steven E. Paproski (Edmonton Centre): Yes, Mr. Speaker. We have been patiently waiting for the Deputy Prime Minister (Mr. MacEachen) to bring in this bill.

Mr. Stanley Knowles (Winnipeg North Centre): So have we, Mr. Speaker. We are happy to consent to the introduction and

first reading of this bill. When that has been done, perhaps the Deputy Prime Minister (Mr. MacEachen) will indicate whether it is his intention to call it for the second reading debate on Monday.

The Acting Speaker (Mr. Ethier): Is unanimous consent given?

Some hon. Members: Agreed.

* * *

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURE TO CONSERVE STOCKS

Hon. Allan J. MacEachen (for the Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada.

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

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, perhaps the Deputy Prime Minister could indicate when the bill is to be debated at second reading.

Mr. MacEachen: Mr. Speaker, I take it for granted we will deal with the bill on Monday. It may be that on Monday the parties will not be ready. However, I have asked the Minister of Energy, Mines and Resources (Mr. Gillespie) to be available to deal with the bill on Monday. That is my expectation. We might have a word on Monday morning to see if things are on schedule so that we can deal with it, but that is the plan at the present time.

Mr. Paproski: The Deputy Prime Minister is suggesting that he will be having a House leader's meeting on Monday morning to see if this is agreeable on all sides, whether we can have the debate starting at three o'clock on Monday.

Mr. MacEachen: Yes, Mr. Speaker. I will be in touch. In the event that any party in the House finds it difficult to deal with the bill, I will reconsider whether we should proceed with it on Monday.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADA SUNSET ACT

MEASURE TO SUBJECT ALL GOVERNMENT PROGRAMS AND OPERATIONS TO REGULAR REVIEW

The House resumed consideration of the motion of Mr. Forrestall that Bill C-214, to establish a sunset law for Canada, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Jim Fleming (York West): Mr. Speaker, I rise to speak on Bill C-214 with some trepidation. Perhaps there is no issue in the forefront of the minds of Canadians concerned about the growth and size of government and the responsibilities that governments have taken on, more *au courant* today, than the issue of sunset laws, some simple way to bring under control the operation of governments at all levels in Canada.

I believe the hon. member for Dartmouth-Halifax East (Mr. Forrestall) is sincerely one of those wishing to express, through the use of private members' hour and this bill, that he wants a development to come which will effect a better review of government.

I very much appreciate the comments of my friend the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard), a few moments ago. I might not be as generous as he in saying that all of the current structures are completely efficient and that we cannot improve upon them. However, even in the tone of his speech and knowing this member as a wise man, he will agree that we always want to improve. I agreed with him that we cannot find this bill, its wording and rather all-encompassing nature, to be the answer. On the surface this legislation appears to embody a good idea, one that has merit in practice, and certainly one that has appeal to the general public. As I said, that is why I have some trepidation. However, after you scratch through the shiny surface, the effects of this legislation are not nearly as desirable. In fact it is shot through with potential problems and, in the few minutes available to me, I would like to draw hon. members' attention to a few of the shortcomings.

In the review process leading to the dissolution or continuation of a government organization, the proposed legislation sets out some key bases that must be touched in considering the future of an organization. These include internal and external assessments on the continuing value of the organization. One of the principal problems that is readily apparent is that any organization subject to the proposed sunset legislation would be vulnerable to the influence of pressure groups. The existence of these various groups that promote or oppose certain government activities is, of course, a good and necessary part of a democratic society.

In fact increasingly in Canada we are finding more and more organized lobbies, groups representing various industries and various sectors of society organizing themselves to lobby the government. That is a good exercise, although I have some personal concern that we might, as the Americans have already done before, formalize the relationship of these lobby groups with governments and members of parliament. The danger I see here, however, is that well-orchestrated and finely tuned campaigns by wealthy or well-funded pressure groups could unduly influence the decision-making process.

An organization which serves a segment of the population well may not have the kind of polished support that many pressure groups can mount. What safeguards are built into this

proposal to protect the right of those ill-equipped to protect their own? I do not see any in the legislation, Mr. Speaker.

We could have a situation where a pressure group, campaigning for its own, narrow self-interest, could force the continuation—or the cancellation, depending on the circumstances—of a program that does not have broad support within the community. The results could be detrimental to a large number of Canadians.

As well, Mr. Speaker, the review process is tailor-made for reliving battles won or lost in earlier legislative skirmishes. This possibility becomes particularly likely in periods of minority government where individuals or parties could resurrect issues long resolved. Think of some of the legislation that has been passed in this House in recent years, legislation that was long fought and took up many weeks of the time of the House. I am sure some members on the opposite side are proud because they forced reforms and amendments in order finally to have their support or not have them further delay it. When you imagine that under this proposed legislation everything would have to come up for review at a regular time, how completely damaging it would be to the process and how frustrating to the public and to us in trying to carry out our job.

● (1650)

In this respect, what concerns me most is that it is much easier to terminate a program than to start one. It's much easier to delay a project than to speed it on its way. You can readily see, Mr. Speaker, how the procedures proposed in this legislation could lead to endless political haggling and a very unproductive government organization.

One might ask why would it be unproductive? During the entire period that its future is in jeopardy, an organization's effectiveness would be impaired. Projects or activities couldn't be undertaken because there would be no assurance that they could be completed. Good staff, faced with the prospect of unemployment should the organization be dissolved, would tend to seek alternative employment, creating both a staffing and a morale problem. Constant uncertainty would influence every decision and every undertaking.

The whole review process would also create major and serious problems for hon. members themselves, because to avoid criticism of bias or discrimination all programs would have to be treated in an equal manner.

Each decision to continue or to terminate a program is extremely important; this means, then, that every program would require an exhaustive and painstaking review by hon. members. The immediate effect would be a tremendous addition to the parliamentary workload. Members who already are pressed to meet their diverse responsibilities as elected representatives would suddenly find themselves with a whole new onerous workload. And the responsibility to participate actively in each review could not easily be sloughed off. Each decision would be simply too important.

The proposal would force us to bring back a number of issues which were extremely controversial and, when they resurfaced, all of us would have to consider seriously participating in the discussions surrounding those reviews in order to protect ourselves in the light of the stands we took earlier with regard to the legislation originally.

There is no question that parliament's workload would rise dramatically and could easily reach the point at which the legislative process would be impeded by the review of organizations whose mandate had expired. The cumulative effect of this process is obvious: the greater the workload, the more superficial the review. Meanwhile the pressure upon us to act responsibly while making such reviews would increase, as would the impact of lobby forces, some of them, perhaps, with a selfish interest with regard to a piece of legislation not broadly understood or of broad appeal, giving them the ability to cause great damage to the intentions of parliament when it earlier passed the legislation.

That, Mr. Speaker, is no reflection on any member of the House but, rather, it is a hard and real fact of life. This factor alone seriously undermines the intended effectiveness of this legislation and is sufficient grounds for me to oppose the bill now before us.

There is another feature of this legislation that is worrisome. It is one that became extremely obvious to me during the expenditure reduction exercise undertaken by this government last summer. You will recall, of course, Mr. Speaker, that many projects and programs were designated for reduction or elimination as a result of the government's need to cut spending.

What was the reaction of Canadians? As I recall, virtually everyone heartily endorsed the principle of reduced government spending. We should have lower taxes. There should be fewer public servants. Of course there should be lower spending. Of course the bureaucracy had become too large. Of course we must be more efficient, there should be fewer public servants. That was the reaction. Then the details became available, and what a hue and cry went up across this land! Everybody was riding his hobby horse. Those who are dedicated and important supporters of the arts campaigned to cut some other program rather than the ones which directly affected them. Those in one affected industry were prepared to sacrifice another in their place, and so on.

The point of this, Mr. Speaker, is that it is virtually impossible to obtain a consensus among Canadians on what the federal government should be doing for them. It is because it is impossible to obtain such a consensus that the House of Commons has such an important function to perform. That is the reality, that is why we are here. After the government has put forward its proposals we, as backbenchers on this side must decide whether we can support it, whether we ought to press for changes in caucus if we believe there ought to be adjustment, or if our constituents press for change and, in turn, the opposition, with their particular interests or in accordance with their party philosophy, can press for change.

A program or policy that lacks visible appeal is doomed at the outset under this bill before its long-term ramifications can even be considered. I am afraid that too often we, as Canadi-

ans, are a basically selfish people and that we only look at measures which have the capacity to affect us directly. What chance of survival would some of our environmental programs have had, for example, had they been subject to sunset legislation? Under the economic crunch of the last year or two many good programs brought in a decade ago might have fallen by the wayside.

I am sympathetic to the concept of this legislation. It is not new and it is not without redeeming qualities. I believe, however, that it requires more research to determine the benefits and the liabilities, to judge the effects on worth-while programs now in place, and to evaluate whether this is the best approach to dealing with the problem of programs that have outlived their usefulness.

In point of fact, some of the mechanisms to deal with these very questions are already in place. The government, through the expanded role of the Auditor General and through the work of the Comptroller General, has procedures that can be used to measure the effectiveness of various programs. And this government has a reasonably good history of phasing out programs that have outlived their effectiveness or replacing them with new ones that more directly meet the needs of Canadians.

Some recent examples come readily to mind. The Anti-Inflation Board is being wrapped up, with the continuing part of its program going to another agency where fewer people with a different mandate can do the job. The Neighborhood Improvement Program and the Bank Act are examples where termination was an integral part of the over-all plans. Further, there was a reiteration in the Speech from the Throne of the government's intention to ensure that a close watch on its myriad projects was being kept and to transfer certain programs to the private sector where appropriate. The government also made a commitment to provide parliament with the opportunity to review evaluations of major programs which ensures that hon. members have an on-going opportunity to be part of a review process.

But this is on a selective basis. There isn't the pressure to which I alluded earlier where every program would have to be reviewed. Parliament can build its review into the continuing work of hon. members, filling the dual need for selectivity and for making the review process a viable opportunity.

In conclusion, Mr. Speaker, I see an admitted need for an orderly, systematic review of government programs. There are some programs which have outlived or will outlive their effectiveness. However, the government has procedures to ferret out those programs whose effectiveness is open to question, and it has procedures for eliminating those no longer necessary.

I believe members of parliament themselves have, as a major function, the task of directing attention to government programs which they believe need to be removed or improved. The bill identifies a genuine problem. Many of us share the concerns of the hon. member who has brought this measure forward, but I am afraid that a general application of the sunset principle would be too all-embracing. If I might play a little with the word "sunset", I am afraid this kind of a sunset law may indeed lead to a nightmare.

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I should like to say at the outset that in putting forward this bill the hon. member for Dartmouth-Halifax East (Mr. Forrestall) is certainly responding to a deeply held belief among the public, which is that governments should do more and be less. There is concern about the inflationary effects of over-regulation and that the heavy hand of government might limit enterprise and innovation, but while I am sympathetic to the hon. member's wish for greater efficiency and more care about the expenditure of tax dollars, I share the concerns which have been expressed by my colleagues, the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) and the hon. member for York West (Mr. Fleming), about the particular method proposed.

● (1700)

There is a lack of flexibility because sunset legislation requires that every program and every department be reviewed on specific dates and times, even if everyone agrees that they are operating effectively, and the more programs which have to be reviewed, the less likely it is that there will be in-depth examinations.

[*Translation*]

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

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

HOUSE OF COMMONS

Monday, February 19, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

GRAIN

REQUEST GOVERNMENT REVERSE DECISION TO SELL OR CLOSE CERTAIN GRAIN ELEVATORS—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the provisions of Standing Order 43, on a matter or urgent and pressing necessity.

In light of the decision of the government to sell five inland grain elevators in the prairie provinces and a port elevator at Prince Rupert, British Columbia, and in light of the fact that such decision has been made at a time when record utilization and profits are being experienced by the terminals in Saskatchewan and pitifully small offers have been received on the tenders for these elevators, and in the case of the government elevator in Saskatoon no bid at all was received, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That this House directs the government to reverse its wrong-headed decision to sell or close the five inland grain elevators and the port elevator at Prince Rupert, British Columbia, as the sale for closing of the said elevators at this time can only have a negative effect on grain handling and transportation in western Canada.

Mr. Speaker: The presentation of such a motion at this time can be done, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HERITAGE DAY

RECOGNITION AND CELEBRATION OF NATIONAL HERITAGE DAY—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a motion to present under Standing Order 43 and I feel sure that the Deputy Prime Minister (Mr. MacEachen) will be happy to second it.

Mr. MacEachen: No.

Mr. Knowles (Winnipeg North Centre): If by chance he is not, my friend, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), will do so. Did the Deputy Prime Minister say yes, or no?

Mr. MacEachen: I said no.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move:

That this House (a) notes that this is National Heritage Day, (b) regrets that legislation to make this day a holiday has not yet been passed, and (c) expresses the hope that whatever government is in power later this year will support such legislation so that all Canadians can enjoy a February holiday and be reminded of the richness of our national heritage.

Mr. Speaker: Such a motion can be introduced for debate at this time, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

POST OFFICE ACT

REQUEST FOR AMENDMENT RESPECTING RURAL ROUTE MAIL CARRIER CONTRACTS—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I rise, under the provisions of Standing Order 43, on an urgent matter of public importance.

On March 17, 1978, the Postmaster General admitted in the House that rural route mail carriers, in the face of continuing inflation, are suffering because of the $10,000 ceiling imposed on rural contracts, and promised that steps would be taken to amend the Post Office Act with a view to ending this discriminatory practice. Because of the government's failure to act, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the Postmaster General introduce at the earliest possible opportunity an amendment to the Post Office Act designed to remedy this long-standing injustice, as promised by him and his predecessors over the past few years.

Mr. Speaker: Such a motion can be introduced at this time for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

URBAN AFFAIRS

GOVERNMENT PROPOSALS ON MORTGAGE DEDUCTIBILITY—MOTION UNDER S.O. 43

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

The Minister of State for Urban Affairs is in Toronto today demonstrating how worried the government is in facing the people without a policy of mortgage deductibility. Therefore, I move, seconded by the hon. member for Selkirk (Mr. Whiteway):

That this House condemns the minister for not having enough backbone to resist—

Mr. Speaker: Order, please.

* * *

ENERGY

NEED FOR ALTERNATE SOURCES OF ENERGY IN EASTERN CANADA—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax-East Hants): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

The cutbacks in supplies of foreign crude oil to east coast refineries means the possibility of an energy crisis in Nova Scotia and eastern Canada. Accordingly, I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That this House direct the Minister of Energy, Mines and Resources to assist the newly constituted Maritime Energy Corporation to develop alternate sources of energy, particularly Nova Scotia coal and tidal power, and to improve the power transmission system in eastern Canada.

Mr. Speaker: The presentation of such a motion for debate at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

CONDEMNATION OF TERRORIST ACTIONS IN RHODESIA—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing nature.

Canadians, along with all civilized peoples of the world, were stunned by the completely unprovoked and barbaric attack on a civilian Rhodesian aircraft one week ago today which resulted in the death of all 59 children, women and men aboard. This was the second such savage attack in a few months, the first resulting in the massacre of 48 innocents. I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That this assembly join with Great Britain and the United States to unequivocally condemn this heinous crime as admitted to by Joshua Nkomo's Patriotic Front Alliance, and that we assure the citizens of Rhodesia that Canada supports and encourages their sincere efforts toward the establishment of a civilized and democratic nation where all may live without fear of recrimination or terrorism.

Mr. Speaker: Such a motion can be introduced for discussion at this time, pursuant to Standing Order 43, only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT

WOMEN AND YOUTH PROGRAMS TO REMAIN IN FORCE UNTIL COMMITTEE STUDY UNDERTAKEN—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the pending review of the Department of Employment and Immigration Outreach program relating to women and youth, which review has taken place without adequate consultation with the groups involved, and in view of the fact that the Outreach project will soon be cut altogether, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That women and youth remain target groups for the Department of Employment and Immigration Outreach program, and that no existing projects be cut without a thorough and public investigation by the Standing Committee on Labour, Manpower and Immigration.

Mr. Speaker: Such a motion can be introduced for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RAILWAYS

REQUEST FOR STATEMENT ON RAIL LINE RELOCATION—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In light of statements made by the Prime Minister last week in Brandon, Manitoba, which conflict with ones made earlier by the Minister of Transport on the availability of funds for CPR rail line relocation in Winnipeg in place of the Sher-

brook-McGregor overpass, I move, seconded by the hon. member for Selkirk (Mr. Whiteway):

That the Prime Minister forthwith clarify his position with reference to rail line relocation and that he make a statement on motions as to the amount of money he will make available for CPR rail line relocation in Winnipeg, rather than provide funds to build the Sherbrook-McGregor overpass.

Mr. Speaker: Such a motion can be presented for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

URBAN AFFAIRS

GOVERNMENT POLICY ON MORTGAGE AND PROPERTY TAX DEDUCTIBILITY—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I rise under the provisions of Standing Order 43. In true spy fiction fashion, the Minister of State for Urban Affairs is coming in from the cold by presenting Canadians with a watered-down version of our party's policy of mortgage and property tax deductibility. Therefore, I move, seconded by the hon. member for Ottawa-Carleton (Mrs. Pigott):

● (1415)

That the minister take the first opportunity to make a statement on motions to explain how his government's policies for a shelter allowance will achieve the same measure of economic benefit for this country that a proposal for mortgage and property tax deductibility would achieve.

Mr. Speaker: Order, please. The hon. member for Eglinton (Mr. Parker).

* * *

MULTICULTURALISM

PARTICIPATION OF B'NAI BRITH IN FESTIVAL AT TORONTO—MOTION UNDER S.O. 43

Mr. Rob Parker (Eglinton): Mr. Speaker, I rise on a matter of urgent and pressing necessity. In view of the fact that Caravan, the Toronto multicultural festival, has denied permission to participate to B'Nai Brith as operators of a Jerusalem pavilion as a result of heavy Arab and Palistinian pressure, and that compliance with such pressure is opposed by the House, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House request that Caravan reverse its well-intentioned but racist decision to prohibit B'Nai Brith participation as sponsors of a Jerusalem pavilion.

Mr. Speaker: Such a motion can be presented for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF ECONOMICS OF THE FEDERAL REPUBLIC OF GERMANY

Mr. Speaker: Before beginning oral question period, I ask hon. members to join with me in recognizing the presence in our gallery of a very distinguished visitor in the person of Dr. Otto Count Lambsdorff, Minister of Economics of the Federal Republic of Germany.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

GOVERNMENT FORECASTS OF RATE OF INFLATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my initial question is directed to the right hon. Prime Minister, who undoubtedly has noted the 8.9 per cent inflation level revealed today in Statistics Canada figures.

When the Prime Minister announced his control program and anti-inflation program in October, 1975, he indicated that the inflation level would be 4 per cent by October last year. Would the Prime Minister now tell the House what, in effect, went wrong, bearing in mind that in each of the years 1976, 1977 and 1978 the Americans had consistently lower inflation than we in this country and each of the other main OECD countries, such as Great Britain, Italy and France, had consistently declining inflation levels while our inflation rate consistently went up? What went wrong?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am genuinely surprised that the hon. member should ask that question. He spent the major part of last week telling the government and the people that when the Canadian dollar fell, it had a very drastic effect upon the rate of inflation in Canada. He has given the answer to his own question. I think the hon. member should read over the questions which he posed last week and he will see. He indicated the degree to which inflation had gone up because of the lower dollar level, and that is true.

Mr. Stevens: Mr. Speaker, again my question is directed to the right hon. Prime Minister who last Thursday and once again today conceded, in reply to my question, the impact of the falling dollar on inflation: he indicated that one of the effects of the falling dollar is an increase in the cost of living in Canada.

Is the government now going to correct its faulty fiscal stance which is causing the fall of the dollar and the consumer consequences we are now seeing because of rising inflation? In short, it is not enough to stand in the House and say, "Don't

blame us for inflation; it is the falling dollar". What will he do about the falling dollar?

Mr. Speaker: Order, please.

Mr. Trudeau: Mr. Speaker, I understand there is only a difference of degree but not of principle between the hon. member and us. He wants a 90-cent dollar and it is an 84-cent dollar. But the effect would be the same: a 90-cent dollar would have a negative effect on the cost of living in Canada.

The hon. member wants to know what we can do. We know what they would do: they would have an increased deficit, and that is not our answer.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

PLANS FOR POST-AIB MONITORING PERIOD

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, based on the expenditure figures which will become public later this afternoon we can see the astounding deficit the government is leading us into.

Again I direct a question to the Prime Minister. Last Thursday, he indicated that the federal government had other plans for the post-AIB monitoring period, that is, other plans than the setting up of the Centre for the Study of Inflation and Productivity. Would he reveal to the House what these other plans are, and is the government now considering instituting them in view of the fact that inflation is obviously getting out of control again?

● (1420)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the answer was given in answer to a question by the hon. member for Windsor West who was asking if we were prepared to give some stronger investigative powers to the Centre for the Study of Inflation and Productivity, and I said we were considering this.

STRATEGY TO CURB RISING FOOD PRICES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct my question to the Prime Minister. In view of the fact that the consumer price index today identified sharp increases in food prices, confirming the prediction of the Minister of Consumer and Corporate Affairs last week wherein he predicted food prices would go up 14 per cent over the next few months, would the Prime Minister tell the House whether the government has a food strategy to deal with rising food prices as suggested by the Minister of Consumer and Corporate Affairs in Winnipeg last week and, if so, when are we going to hear about it and how far will food prices rise before the government acts?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the hon. member shares with us the belief that the producers of food in Canada should be encouraged to reach the stage of stability but that they should not be controlled either during the period of controls or between periods of controls. The producer is left free and we have never attempted to control his produce at the farm gate. He sells on a free market.

In so far as what happens to the food after that is concerned, the hon. member knows that we held a study into the processors and distributors and it was not found that there were excess profits there.

Mr. McGrath: Mr. Speaker, I am not suggesting to the Prime Minister that we should reimpose controls, because we saw how ineffective they were. What I am asking the Prime Minister is, does the government intend to produce a co-ordinated food strategy, given the fact that we have at least five government departments actively involved in this area, each one acting separately and each one influencing the food component under the CPI? This needs co-ordination and obviously someone has to step in between the Minister of Consumer and Corporate Affairs and the Minister of Agriculture. Will the Prime Minister say whether or not there is going to be this kind of co-ordination within the government so we will know where we are going in terms of food policy?

Mr. Trudeau: Mr. Speaker, if the hon. member had been following this subject, he would recall that there was a meeting here in Ottawa not only with the ministers involved but also with the various producers and distributors. They discussed this matter. I would remind the hon. member that about 30 per cent of the food we consume is imported and those prices are affected, as I was telling the hon. member for York-Simcoe, by the falling dollar. That is one of the main causes of food prices having gone up.

As the hon. member knows, one of the main reasons the food index has gone up this month over last month is the importation of fresh fruits and vegetables. Naturally, if in the winter you want to import such things from southern climes, you must pay a premium because of the fall of the Canadian dollar.

* * *

CONSUMER AFFAIRS

STEPS TO ENSURE REDUCTIONS IN SALES TAX PASSED ON TO CONSUMERS

Mr. James A. McGrath (St. John's East): Mr. Speaker, perhaps I could direct one final supplementary question to the Minister of Consumer and Corporate Affairs, who seems to be more realistic than the Prime Minister in terms of his predictions.

In another area affecting the CPI, a non-food area, we have noticed an increase in the price of automobiles notwithstanding the fact that the government has already decreased by three points the federal sales tax on automobiles. What has the minister done to monitor this situation to ensure that this

reduction in federal sales tax on automobiles and on other hard goods is, in fact, being passed on to the consumer, as there would appear to be evidence here, with automobile prices going up, that the reduction is not being passed on?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, to begin with, I want to correct the hon. member in respect of his question to the Prime Minister. I never said food prices would go up by 14 per cent in a few months; I said the increase would be from 12 per cent to 14 per cent, year over year, in the next few months and 9 per cent to 10 per cent for the total year at the end of the year. That is a very gross misrepresentation, which is not unusual for the hon. member.

It is interesting to note that the non-food part of the consumer price index in fact declined over the past month. Furniture and clothing prices declined in that particular index. The main reason for the increase in the CPI is, as the Prime Minister stated, with respect to food, electricity and gasoline. With respect to those items on which we removed the sales tax, there has been a general decline—

● (1425)

Mr. Stevens: Car prices are up.

Mr. Allmand: —in the prices of those commodities. So far, the sales tax cut has been a success.

SPREAD BETWEEN PRICES PAID TO FARMERS AND THOSE PAID BY CONSUMERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is addressed to the Minister of Consumer and Corporate Affairs. The Prime Minister has talked about food prices for farmers—we agree with his remarks in that regard—about the high price of imported foods.

I would like to ask the minister about the spread between the price the farmer gets for his produce and what the consumer pays for food produced in Canada. For example, in Winnipeg in the week of February 9, the year over year price increase which farmers received for chicken and turkey was seven cents a pound, but the consumer paid an extra 49 cents a pound for chicken and 36 cents a pound for turkey.

The minister has said many times that he would investigate this matter. I would like to ask, once and for all, what does he intend to do about it? Why are the farmers and consumers being ripped-off?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Minister of Finance last summer did request that the AIB do a study on price spreads or price-profit spreads in the food industry. The study was carried out by them and report was made in the fall. The report indicated that there was no exceptional profiteering and that there was really no change in the profit margins in the food industry.

However, within recent months new evidence may have come to light. Anybody who has such evidence is encouraged to send it along to the director of investigations to see if there is any price-fixing or rigging of the marketplace whatever. I have referred the complaints of the hon. member to the director of investigations. But if it is something which does not come under the Combines Investigation Act, all we can do at the moment, since we are not in controls, is to try to analyse the reasons for these price increases and to bring moral pressure to bear if they are unusual.

Mr. Nystrom: Mr. Speaker, the farmer receives an extra seven cents a pound and the consumer pays an extra 49 cents a pound. Who is doing the monitoring in the minister's department? These figures are readily available to anyone.

The price of bread, as the minister must know, has gone up by about 10 cents or 12 cents a loaf, while the component cost, namely, the subsidy which the minister in charge of the Wheat Board took away from us, amounted to 3.5 cents a loaf. The minister said that he would look into this matter as well. Is the minister satisfied that the bakeries and bread companies are justified in raising the price by ten cents or more a loaf, and if he is satisfied with that increase, would he table the evidence?

Mr. Allmand: Mr. Speaker, the principal price monitoring group in the government is not within my department but under CSIP, which has replaced the AIB at the recommendation of the provinces. We refer different price increases to that group for analysis.

With respect to the price of bread, our prediction was that bread prices would increase by about six cents to seven cents a loaf as a result of the removal of the bread subsidy, and that was done in January. It is too early yet to know what companies are charging beyond that, and for what reasons.

Mr. Nystrom: Mr. Speaker, I wonder if that minister has control of anything. The input costs went up by approximately 3.5 cents. The Mallon report which was produced two or three years ago said that consumers in our country were paying up to 7 per cent more than they should because of the tremendous corporate concentration in the retail market.

Would the minister tell the House whether he is considering a policy statement or bringing a bill into the House which will break up the tremendous concentration which the retail stores enjoy in this country, particularly in western Canada?

Mr. Allmand: Mr. Speaker, this government has brought in three bills to deal with concentration, and we did not receive much support from either the hon. member's party or the official opposition.

Mr. Crosbie: Or the Prime Minister: he chopped it.

Mr. Allmand: I brought in Bill C-13 last fall to deal with concentrations, mergers and competition policy. I cannot remember one occasion on which the hon. member's party co-operated with us in proceeding with that bill.

[*Translation*]

ENERGY

ALLEGED REDUCTIONS IN QUEBEC DELIVERIES OF HOME HEATING OIL BY GOLDEN EAGLE—GOVERNMENT POSITION

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

Could the minister tell the House whether there is any truth behind the reports heard during the weekend in the Quebec City area about the rationing of home heating oil? Has the minister been officially advised about that possibility? This morning it was stated during a discussion on radio that Golden Eagle was reducing by 70 per cent its deliveries to independent distributors. Is the minister aware of that situation?

● (1430)

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I have been made aware of the situation by representations from my own party and from the independent fuel marketers.

The situation has been a tight one, is a tight one and will probably continue to be a tight, difficult one for some little while. The problem has been aggravated not just by a cold winter but by serious difficulties with some of the eastern refiners. For example, the hon. member will have noted that the Gulf refinery in Montreal had a fire last week that reduced production by close to 40,000 barrels per day. There have also been difficulties with the Imperial Oil refinery and the Shell refinery in Montreal.

Special efforts have been made by the refineries, I have been assured by them, to bring heating oil into the market. For example, some of the crude that was recently offloaded at Point Tupper will be reloaded on to a tanker and moved up to Golden Eagle, close to Quebec City, and will be processed there and then moved into the Montreal market.

A number of measures of this kind are being used by the eastern refiners right now to try to improve the situation. We are doing our best to ensure that the independent marketers are being looked after by the refiners and that the refiners, for example, are not trying to secure new customers at this time but are continuing to look after the resellers so that they can look after their traditional customers.

[*Translation*]

Mr. Lambert (Bellechasse): Given his answer, the minister is surely aware of the serious situation. Just the same I should like to ask him a supplementary question. Considering that families without central heating are more seriously affected as a result of conditions experienced by independent dealers because families that use a small furnace commonly called a space heater do not have large tanks to hold supplies for several weeks but usually a 45-gallon tank which does not last long, will the minister consider taking other steps to make sure that retailers can have sufficient heating oil to meet the needs of families whose heating systems are such as I have just described.

[*English*]

Mr. Gillespie: Mr. Speaker, we will continue to maintain our pressure on the refiners to ensure that the resellers have the oil so that they can look after the kind of situations, the difficult situations, the hardship situations, that the hon. member has referred to.

* * *

INDUSTRY

DETRIMENTAL EFFECT OF US COUNTERVAILING DUTY ON ENTERPRISE DEVELOPMENT PROGRAM

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce.

As the minister knows, some 70 per cent of our exports go to the United States and we have a huge deficit of manufactured end products. The United States treasury department has just imposed a 9 per cent duty on Honeywell Limited for exporting an optical sensing system to the United States, on the grounds that this is a countervailing tariff and that Honeywell had been subsidized because they had received a PAIT research and development grant from the minister's department which is now included in the enterprise development program.

I want to ask the minister if the government has assisted Honeywell in their case so far. Are they going to see that the case is appealed? Is the government protesting to the United States government against this spurious countervailing duty on that ground, and if this situation is maintained by the United States government does it put the whole enterprise development assistance program for Canadian industry in danger?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): First of all, Mr. Speaker, it does not put the whole enterprise development program in danger. Second, we are assisting Honeywell and we are bringing as much protest against the United States government for their action in this case as possible.

Third, we have a surplus in manufactured goods of $3.5 billion; that is, over-all with the United States and the rest of the world.

Mr. Crosbie: Mr. Speaker, we have a deficit in our balance of payments and current account of over $12 billion in manufactured end products. The minister cannot get around that.

May I put a supplementary question. The grant that the Honeywell corporation received was for research and development purposes. That has now been held to be a subsidy as contributing to assist them in introducing a commercially successful product on the market.

Will the minister tell the House whether he is going to attempt to restructure those kinds of grants to get around this

problem? Second, is the minister, or the government, in the talks at GATT, making any effort to see that if they are successful, the United States government will no longer have the power to use this countervailing duty situation without at least proof of injury? Is there likely to be a successful end to that negotiation at Geneva? That, I believe, is one of the main points in dispute.

Mr. Horner: Mr. Speaker, we are negotiating at Geneva what breaks down to about four different kinds of applications of non-tariff barriers and this is one of them. I believe we can look forward to a successful conclusion of that aspect of the Geneva negotiations—that there will be an agreement signed by the participants to some kind of control over the application of non-tariff barriers.

Mr. Crosbie: Mr. Speaker, a final supplementary question. The minister seemed to indicate that he did not need to restructure the PAIT type of grant of the enterprise development assistance program. Could he indicate to the House why it does not need to be restructured, in view of this finding by the United States treasury department? Surely some action has to be taken if this decision by the United States treasury department sticks.

Mr. Horner: I do not believe we have to restructure the PAIT form of grant, because it is the wish of this government to encourage research and development in Canada as much as possible. Research and development is really a very small portion of the manufacturing cost of the product.

If we could get Canadian companies—I think it is our ambition to get something even as small as 2 per cent or 2.5 per cent—to spend this amount on research and development, then we could see our manufacturing industry enlarged a great deal. We do not believe it is the small expenditure on research and development that the Canadian government contributes that is so injurious to our good neighbours to the south.

* * *

[*Translation*]

FINANCE

REQUEST THAT CROWN CORPORATIONS MAKE PAYMENTS EQUAL TO COMMERCIAL OCCUPATION RATE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I wish to direct my question to the Minister of Finance. The minister has announced today that the Municipal Grants Act would be amended to increase significantly the grants in lieu of taxes. Among other things, the minister has indicated that no grant would be paid in lieu of business taxes, except in the case of Crown corporations. Could the minister advise us of the steps he will take to convince these Crown corporations to pay grants equal to commercial occupation rates?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, we shall deal with this piece of legislation when it is introduced in the House in a few days. We shall then have a full debate on it. I suggest it is important that all federal institutions should pay real estate taxes. As to sales tax and business surtax, the problem is indeed very different and complicated, and we shall have the opportunity to deal with it when the bill comes before the House.

* * *

[*English*]

AIR TRANSPORT

INVESTIGATIONS INTO ACCIDENTS INVOLVING HELICOPTERS

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Minister of Transport. Considering that there has, as yet, been no final report from the helicopter accident north of Revelstoke in which four glacier skiers were killed a year ago, and following last week's avalanche south of Golden, British Columbia, in which seven people died, can the minister indicate whether a new inquiry has been instituted into the most recent accident?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am not sure whether that step has been taken at this point. Obviously, we will be concerned to determine the facts and I will be looking at the manner of the investigation as soon as possible.

Mr. Johnston (Okanagan-Kootenay): A supplementary question, Mr. Speaker. Would the minister consider, or has he considered, initiating a broader investigation involving the other federal departments that are interested, the provincial level of governments, the ski and guiding associations and the companies operating the heli-skiing industry as well as other interested groups and individuals, and that such an inquiry be a public inquiry?

Mr. Lang: Mr. Speaker, I will determine whether the more formal sort of consultation which the hon. member suggests would be an improvement on an informal one.

* * *

● (1440)

STATISTICS CANADA

VOLUNTARY RESPONSES TO STATSCAN SURVEYS

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. During the House of Commons debate on February 22, 1977, the Parliamentary Secretary to the Minister of Industry, Trade and Commerce said:

> This government is not opposed in principle to the concept of making the response to certain official statistical surveys voluntary.

He said, further, that the possibility of introducing voluntary responses to some Statistics Canada surveys was under examination by officials of the department. Does the Liberal

government still hold this view? If so, when will such legislation be forthcoming?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, the government still holds that view; and it will be forthcoming soon, in this session. In fact, I hope to have that included in a piece of legislation that will be put before the House later.

CHARGES LAID UNDER SECTION 29 OF THE STATISTICS ACT

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, recently in a test case the Crown unsuccessfully prosecuted one of my constituents for violating section 29 of the Statistics Act. It is now further persecuting my constituent by appealing that very just decision of the courts.

Will the minister advise, or recommend to the Crown attorneys prosecuting Canadians accused of section 29 violations to enter a stay of proceedings or drop the charges until the strict compliance issue is resolved?

Mr. Speaker: Order, please. I do not think the hon. member expects us to use the question period as a time for representations of that sort.

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, in view of the minister's response would he consider, if he has not already done so, implementing the provisions of private member's bill C-452 that I have before the House? This would amend the Statistics Act by removing the penalty provisions in section 29 which can be imposed against Canadians who refuse to answer questions on Statistics Canada surveys. I claim no pride of ownership; I will be glad to share that idea with the minister.

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I would like to assure the hon. member that Statistics Canada has a very important purpose to serve in our country. Its statistics are widely used by many facets of Canadian industry. They are taken and collected under the strictest and most confidential methods possible.

Some hon. Members: Oh, oh!

An hon. Member: Just like the income tax.

Mr. Horner: The other point I want to make is this: Statistics Canada is an independent body. It does not answer to the wishes, particularly of a political person, at any time. It wants to make an accurate study of the economic facts in Canada. If hon. members would like, I will send them a copy of this booklet put out by Statistics Canada, called "Doorstep Diplomacy"—

Some hon. Members: Oh, oh!

Mr. Horner: —in which the guidelines are clearly outlined. There are eight guidelines, and I would like to read one.

Some hon. Members: Oh, oh!

[Mr. Wenman.]

An hon. Member: Scare us.

Mr. Speaker: Order, please.

Miss MacDonald: I appreciate the minister's lengthy explanation, but it was not in response to the question I posed. I would like to ask if he will, indeed, do something about the penalty provisions in section 29 of the Statistics Act, which only House of Commons parliamentary procedures can change, so that people who do not feel they should answer these surveys do not have fines or the penalty of imprisonment imposed on them. That is the question.

An hon. Member: Right on.

Mr. Horner: Mr. Speaker, one thing that I have noticed after a lengthy parliamentary career—

An hon. Member: It will soon be over, Jack.

Mr. Horner: —is that Statistics Canada is being taken and accepted by people of Canada as if it were the Bible.

Some hon. Members: Oh, oh!

Mr. Horner: If Statistics Canada print a figure, everybody believes it must be accurate. Everybody accepts the fact that it is accurate beyond a shadow of a doubt.

Some hon. Members: Oh, oh!

Mr. Horner: The hon. member's suggestion might seriously erode the ability of Statistics Canada to maintain the level of accuracy for which it has become so highly respected.

Some hon. Members: Hear, hear!

* * *

ENERGY

POWERS OF MARITIME ENERGY CORPORATION

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I would like to congratulate him on his signing of the Maritime Energy Corporation agreement with the maritime provinces.

Mr. Crosbie: Author?

Mr. Hnatyshyn: We did not know you could read.

Mr. Dionne (Northumberland-Miramichi): The opposition judges others by themselves.

Mr. Speaker: Order, please. Does the hon. member have a question?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): Will this new corporation be empowered to ensure future petroleum supplies for the maritimes? Will it be able to enter into arrangements with Petro-Canada to prevent the kind of high-handed, unconscionable acts of diversion attempted by Exxon and its Canadian puppet, Imperial Oil?

Mr. MacKay: Read the bill.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I believe the Maritime Energy Corporation will be an extremely important corporation to the maritimes and to Canada. Quite clearly, it is placing collective and joint action ahead of the earlier "go it alone" policy. I believe because the corporation will be working with the three maritime provinces and the federal government together, it will be possible to establish a secured energy source for the maritimes and increasingly build upon the indigenous energy sources of the maritimes. Therefore the maritimes will become less vulnerable and less dependent on foreign oil.

As hon. members know, foreign oil is used for some of the electrical generation in the maritimes. I believe that the Maritime Energy Corporation will, over a period of time, make the maritimes less dependent on imported oil.

Mr. Forrestall: Mr. Speaker, a supplementary to that nonsense.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Nanaimo-Cowichan-The Islands.

MINISTER'S KNOWLEDGE OF OIL SHIPMENT DIVERSIONS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the minister of Energy, Mines and Resources. Last Friday, the minister told the House that he knew nothing of the diversion from Canada by Exxon of some 25,000 barrels of Venezuelan oil. Saturday's paper contains a reply from Imperial Oil Company as follows:

A company spokesman said a senior energy department official knew of the plan on January 24, as did the National Energy Board.

This is in direct contradiction of the minister's statement that he knew nothing about the matter until February 8. In view of the very serious nature of this apparent contradiction, has the minister investigated which senior departmental official received this information? If he knows who it was, has that official been removed, since it is the very height of incompetence that important information like that should have been kept from the minister for two solid weeks?

Some hon. Members: Hear, hear!

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I think the hon. member may be overstating the situation by attaching more importance than it deserves to the allegation as reported in the press. I believe that there was some preliminary discussion in the sense that it was possible that a situation could develop with respect to diversionary tactics. I think that information may well have been conveyed to my department at one time.

The hon. member is right when he says that on January 24 there was a letter that went—I believe from Imperial Oil—to the National Energy Board dealing with a diversionary plan, or some words to that effect. But the hon. member also knows, of course, that the National Energy Board is an independent board. The National Energy Board makes its own decisions and takes its own counsel in these matters. There is no reason for the National Energy Board, for example, to seek my advice on this or ask me to sign or agree to any measures of this kind; nor did they.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that the National Energy Board is not only a regulatory body, but under the terms of its act it is the minister's adviser on energy matters and therefore it is taken for granted that there is a constant and continuing liaison between the minister's office and the National Energy Board in order that the minister may be aware of what is happening, and in view of the fact that a curtailment of 25,000 barrels a day constituted a serious threat to the well-being of many Canadians, will the minister explain why it was that the information which was passed, not only to a senior official but also to the National Energy Board, was not conveyed to him? Either there has been a gross dereliction of duty or the minister has been incompetent in conducting the affairs of his department.

Some hon. Members: Oh, oh!

An hon. Member: Both.

Mr. Gillespie: Mr. Speaker, the hon. member refers to information which was conveyed to the National Energy Board. It is not at all clear, as I had an opportunity just recently—within the past few hours—to read that particular information. They were not talking about 25,000 barrels a day. That does not come across at all. If one looks at that particular submission, it comes across somewhere in the order of about 10,000 barrels a day. It was not until January 8, that I have mentioned—the Thursday—that a delegation from Imperial Oil came to see me and presented to me, in my office, this plan about the 25,000 or 30,000 barrels a day. To the best of my knowledge, that was the first I ever heard of it. I told them it was quite unacceptable. The date was Thursday, February 8.

• (1450)

INQUIRY WHETHER DREE REPRESENTED IN MARITIME ENERGY CORPORATION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question relates to the Maritime Energy Corporation. Is DREE to be represented in the newly-formed Maritime

Energy Corporation, and will the federal financial commitment be sufficient to lower or stabilize electric energy costs in the maritimes?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): I believe the corporation will do just that. I believe it will help stabilize electric energy costs and that it will provide more secure energy at lower cost than any alternative. As to the composition of the board of directors and whether DREE will be represented by a member of the board, that is a matter which is presently under discussion.

Mr. Howie: Can the minister tell the House when he plans to let the provinces know the cost-sharing formula with respect to Lepreau, Fundy and similar projects which the corporation might undertake?

Mr. Gillespie: Yes, indeed. At three o'clock I shall be tabling the memorandum of understanding reached between myself and the three maritime premiers. That memorandum sets forth the cost-sharing arrangements with respect to Lepreau.

* * *

EXTERNAL AFFAIRS

REFERENCE TO S.O. 43 MOTION PROPOSED EARLIER TODAY

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, in the absence of the Secretary of State for External Affairs, I will direct my question to the Prime Minister. In view of the fact that several members of the government refused unanimous consent to my proposed motion under Standing Order 43—

Some hon. Members: Order!

Mr. Speaker: The hon. member should proceed to his question.

Mr. Corbett: Is this to be taken by the free nations of the world as meaning that the government condones such murder and crime?

Some hon. Members: Oh!

* * *

MANPOWER

SHORT-TERM WORK PERMITS FOR FOREIGN NATIONALS

Mr. Jake Epp (Provencher): Mr. Speaker, my question is for the Minister of Employment and Immigration. It arises from the fact that much of Canada's production equipment is foreign-built and that Canadian business often has to rely on quick advice or on-site repair by foreign nationals when it has to be repaired.

[Mr. Howie.]

Has the minister instructed his officials to issue short-term permits to these foreign nationals in such circumstances, so that the economy can be kept rolling?

Hon. Bud Cullen (Minister of Employment and Immigration): We deal with these cases on an individual basis. Sometimes we are criticized because we allow the entry of foreign nationals to operate a piece of equipment and subsequently they stay to work on the equipment and do jobs that Canadians could do.

However, when we are satisfied that the request concerns a piece of equipment covered, for example, by a patent which has to be kept secret, or in cases where there is no time to find a Canadian to work on the operation, then we issue a temporary permit and do everything we can to accommodate the business.

Mr. Epp: That is the precise problem, Mr. Speaker. By the time the department, through its officials, has investigated whether a short-term work permit should be granted, so much production time has been wasted that Canadian employees are in danger of being laid off.

Requests have been made by various companies that a different system be introduced under which, if requests are made to local Manpower officials, quick investigation can take place and foreign nationals can be brought in should they be needed. It makes no sense whatever to wait for the bureaucratic machinery to unwind while production equipment is idle.

Mr. Cullen: If the hon. member has specific cases in mind, we shall be happy to look at them. Nevertheless, we do have an obligation to see that Canadians are employed if there are Canadians available who can do the work required. We must be vigilant to see that such requests are not used as a dodge to secure the employment of non-Canadians, but we do our best to accommodate companies when the circumstances warrant it.

* * *

AIR TRANSPORT

INVESTIGATION INTO VIOLATIONS OF AIR SAFETY REGULATIONS

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is directed to the Minister of Transport. On his own admission, Bill C-40 which he has introduced and relates to the transport accident investigation commission is not likely to be given too high a priority before the election, and even if it were given priority we would probably be looking at a lead time of about two years before an accident investigation branch could be set up.

This being the case, what does the government intend to do in the interim period, which could amount to as long as three or four years, possibly, to alleviate the concern of the Canadian flying public about violations of air safety which have occurred and which have been in the news recently?

Hon. Otto E. Lang (Minister of Transport): Let me make it clear that if the House could see its way to give early passage to this bill, I would be delighted. In that sense, I think it is an important bill. It is in the context of the general delaying tactics that I see in the House on the part of the opposition that I am bound to conclude that it would not pass very quickly.

I am surprised, however, that the hon. member does not know that we have set up an accident review board to investigate air accidents, so we have taken the steps open to us in the absence of legislation.

Mr. Murta: The accident review board has obviously not been working very well. The minister knows quite well that the proposition he mentioned a few minutes ago is totally false. He never approached anybody on this side with regard to speeding this legislation along.

What does he intend to do in the interim, given the fact that it could take up to two years before this legislation, even if it was passed, could be made effective?

Mr. Lang: I do not agree it would take so long. I think we could get the legislation in place fairly quickly, say before the end of 1979, and move to set up the commission rapidly.

The hon. member says I did not approach anyone on that side with regard to the bill. Perhaps not, with regard to this particular bill, but I did get word from the spokesman on transportation for the Conservative party they would not let anything through unless we let them travel first throughout the country.

* * *

STATISTICS CANADA

SURVEY OF FAMILY EXPENDITURES—NECESSITY THEREFOR

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce as the minister responsible for Statistics Canada.

Bearing in mind the concern expressed by many members of the House over many months about the Statistics Canada survey of family expenditures which may amount to a major imposition on one in every 25 Canadian families, has the hon. gentleman taken any action to ascertain whether this survey is necessary, fair and reasonable?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Let me first of all correct some false impressions. The survey is not exclusively directed to those receiving family allowances. It is directed to one in every 550 people in the labour force, not one in 25. It is intended to cover some 13,000 or 14,000 households. About 14 surveys of this type have been carried out by Statistics Canada throughout the years. It is absolutely necessary, in order to keep in balance the consumer price index upon which so many people in industry, and elsewhere, depend.

• (1500)

I have advised Statistics Canada people not to press hard on anyone who does not want to answer, but merely to let such people be dropped from the list. I have been assured that that is the procedure Statistics Canada has employed. Statistics Canada is getting about an 80 per cent response, with which Statistics Canada is very satisfied.

* * *

EMPLOYMENT

FUNDING OF OUTREACH PROGRAM

Mr. Yuri Shymko (Parkdale): Mr. Speaker, I should like to direct my question to the Minister of Employment and Immigration. My question is with regard to public petitions to reconsider the recent decision by the regional review committee to stop further funding for the Outreach program in Parkdale, which now has the third highest rate of unemployment of the 23 ridings in Toronto. Could the minister state—

Mr. Speaker: Order, please. Unless the hon. member distinguishes his question very quickly, I think he is caught in the same restriction I mentioned earlier in the question period to one of his colleagues. The hon. member for Nickel Belt.

* * *

INDUSTRY

LOSS OF JOBS IN CANADA DUE TO DECISIONS OF FOREIGN PARENT CORPORATIONS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the fact that the recent decision by National Steel Corporation of the United States to close the Moose Mountain iron ore mine in Capreol, Ontario, will result in the loss of some 250 jobs, and in view of reports indicating that the Canadian steel industry is so busy it cannot even meet the orders it is getting, can the minister explain to the House what steps his department has taken to make sure that the decision which has been made in the boardrooms of a foreign company does not affect these 250 jobs?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, the Moose Mountain mine at Capreol is, indeed, owned by the National Steel Corporation of the United States. That mine was producing about 650,000 tons of pelleted iron ore per year. In 1977, the National Steel Corporation of the United States increased production at its iron ore mine in the United States from something a little over two million tons of pelleted iron ore to something over five million tons.

That was a tremendous increase in production in the United States. That created a situation in which the 650,000 tons from Canada were not needed. My officials have met with the management of the mine and will be meeting shortly with

Ontario government officials to try to find out whether iron ore pellets could be sent to some other steel mill in Canada.

* * *

STATISTICS ACT

RESPONSES TO STATSCAN SURVEYS—REQUEST PENALTY CLAUSES BE REMOVED FROM LEGISLATION

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce, who has now indicated that in one case he will allow Canadians who do not want to answer requests from Statistics Canada to be, in his words, dropped from the list. Is that policy going to be applied generally and, if so, why does the minister not agree to remove the penalty clauses from the law?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I dealt with that question earlier. Dealing with family expenditures, and noting the sensitivity which was expressed in the House, I spoke to the chief statistician and suggested that he might find it easier not to press charges in those cases where people were refusing to answer sensitive questions. He assured me that he was getting a very good response, practically 80 per cent or better, and in those situations where there is an 80 per cent response accuracy can be maintained.

However, if the penalty clause was dropped completely, I feel sure that the rate of response would drop down substantially below 80 per cent and then statistical inaccuracies would begin to appear.

Mr. Clark: Mr. Speaker, is it, then, the position of the minister and the Government of Canada that officials of the Government of Canada are supposed to enforce the law only when enforcement of the law suits the minister?

Mr. Horner: Mr. Speaker, the law is to be enforced. It is necessary that Statistics Canada statistics be accurate, and I have said that we will be putting before parliament a proposed change in the law so that statistics can be collected voluntarily when we want such statistics collected. In some instances the result of collecting statistics on a voluntary basis might be beneficial, but if we dealt with all statistics on that basis there would be substantial erosion with regard to accuracy.

* * *

PRIVILEGE

MR. McKINNON—VARIANCE IN ANSWERS TO QUESTIONS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I rise to inform the Chair that I have not yet had sufficient time to prepare my reply to the remarks of the Minister of National Defence (Mr. Danson) concerning a question of privilege I raised last week. I expect to be prepared by tomorrow at 3 p.m. or any succeeding day, provided, of course, that the minister is in the House.

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I think my schedule calls for me to be in Toronto tomorrow, but I expect to be here on Wednesday, if that will save this business of "After you, Alphonse", waiting for the other to come back from wherever he has been.

Mr. Speaker: Order, please. The next time the two hon. members are in the House together, that question will proceed.

ROUTINE PROCEEDINGS

[*English*]

MARITIME ENERGY CORPORATION

TABLING OF MEMORANDUM OF UNDERSTANDING

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, under the appropriate Standing Order I wish to table, in both official languages, two copies of a memorandum of understanding between Canada and New Brunswick, Nova Scotia and Prince Edward Island, signed by the premiers of the three provinces and myself, on the Maritime Energy Corporation, effective February 16.

* * *

MAIN ESTIMATES 1979-80

EXPLANATORY STATEMENT BY PRESIDENT OF THE TREASURY BOARD

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1980, was presented by the Hon. Judd Buchanan (President of the Treasury Board) and read by Mr. Speaker to the House.

Hon. Judd Buchanan (President of Treasury Board): Mr. Speaker, the main estimates I am tabling today tell a story of determination, achievement and restraint.

Some hon. Members: Oh, oh!

Mr. Buchanan: They transform the announced economic intentions of last summer into irrefutable reality today.

Some hon. Members: Oh, oh!

Mr. Buchanan: For these reasons I feel privileged to have the honour to table before hon. members the spending plans of this government for the fiscal year 1979-80. These estimates mark the fourth consecutive year in which the government has announced in advance its spending targets for the ensuing year. In each and every year we have kept our spending within those announced target growth figures. When the public

accounts are presented to parliament, there is no question that they will show once again we have controlled spending within the expenditure ceilings set and declared well in advance of the fiscal year.

• (1510)

An hon. Member: Nonsense.

[*Translation*]

Mr. Buchanan: Let us examine the facts. For 1976-77 we forecast an increase of 16 per cent over the previous fiscal year. The real increase was only 10.4 per cent or 5.5 per cent less than expected. The same thing happened in 1977-78, when the expected rate of growth was estimated at about 10 per cent and real growth was only 7.1 per cent. Last February my predecessor announced a ceiling of 9.8 per cent for 1978-79. That limit was reduced to 9.5 per cent in August and we expect to respect that target.

Today I am tabling the main estimates for 1979-80. We anticipate a total increase in government expenditures of 8.9 per cent. Total expenditures, estimated at $52.6 billion, include budgetary and non-budgetary expenditures, as well as the expenditures provided for in the supplementary budgets to be presented throughout the year. Considering past performance, I can assure hon. members that the ceiling put on the grand total will be respected.

I want to stress that for the third year in a row the increase in total government expenditures has been under 10 per cent. That level of growth respects the government policy, namely that the increase in expenditures be smaller than the nominal growth of the gross national product which, according to forecasts, will be 11 per cent for 1979-80.

[*English*]

Achieving this goal has not been easy and I believe it is a measure of the calibre of my cabinet colleagues who have set aside their own departmental priorities in the harsh reality of spending restraint, for the common good of all Canadians.

It is because of the spirit of co-operation and restraint that I am able to table these estimates which call for total spending of $52.6 billion, compared with the 1978-79 total of $48.3 billion. They meet two very important fiscal goals. First, they carry through the spending reductions announced last August. An example of the effects of these reductions is that a total of 38 departments and agencies receive less money this year than last. The second goal was to keep growth in spending to less than the growth in the GNP. That too has been accomplished.

To prevent comparisons of apples and oranges, permit me to explain once again why spending growth is compared with nominal growth of the GNP. The government, like all purchasers of goods and services, must pay today's inflated prices. Therefore, the increases in spending must be compared with the GNP figures which reflect the influence of inflation. There has been some confusion in the past because some have made comparisons between the growth in spending and the real growth in the GNP, which is an inaccurate and improper kind of comparison.

As I indicated, Mr. Speaker, we met our fiscal goals. Another major outcome of the August expenditure reduction exercise should be noted. Our forecast at the time was that the cutbacks could lead to a reduction of 5,000 public service positions. These main estimates show a reduction of 6,685 person years, including the 1,400 person years transferred to the province for the operation of veterans' hospitals. The result is a real reduction of some 5,200 public service positions. I am happy to say this reduction will be possible with a minimum disruption of individuals in the federal public service work force.

In 1975-76, when we announced the restraint policy, growth in the public service was reduced to 4.1 per cent. The following year it was lowered dramatically to 1.3 per cent. In the 1977-78 and 1978-79 fiscal years, the growth was six-tenths of one per cent each year, about 2,000 positions. Now, after this period of stringent control, we have gone further and have actually reduced, in absolute terms, the number of authorized person years by a sizeable 2 per cent, reducing the authorized strength of the public service to the approximate level that existed four years ago.

The total authorized person years for 1979-80 is 318,435, which is just a shade higher than the 317,184 authorized in 1975-76. Compared with the current fiscal year, it reflects a decrease of 2.1 per cent. This has been a difficult achievement, particularly in light of the forecast growth of 1.9 per cent in the Canadian labour force. It should be noted that this is the fourth consecutive year when the growth in the federal public service has been less than the growth rate of the Canadian labour force. As a result, these fewer public servants are serving a larger number of Canadians. The number of public servants has not kept pace with the growth of the nation.

One object of this restraint is to reduce the role of government in the economy and leave more room for the private sector. It is clearly evident from last year's job-creation figures that the private sector responded positively and well when it created in excess of 400,000 new jobs for Canadians—

Some hon. Members: Hear, hear!

Mr. Buchanan: —a message that my colleague, the Minister of Finance (Mr. Chrétien) has had some difficulty in getting through to hon. members opposite.

In fact, when we look at the $4,291 million increase in total budgetary main estimates for 1979-80 compared to the previous year, the effects of this government's economies become increasingly evident.

An hon. Member: The largest dollar increase in five years.

Mr. Buchanan: Of that increase, 57.5 per cent, more than half of the total, is accounted for by transfer payments to individuals, to other levels of government and in subsidies and other transfer payments. More than half the additional money being spent simply passes through the federal government's

treasury to improve and equalize opportunities for Canadians across our nation. The other major contributor to the increase is public debt, which accounts for 43.1 per cent of the increase as a result of debt costs of $8,350 million, compared with the previous year's total of $6,500 million. Even a major portion of the money the federal government pays out in debt charges can be considered as a form of transfer payment, since it is money being paid directly to Canadians.

I readily acknowledge that the size of Canada's net debt is a worrisome matter for me, as it is for my colleagues. However, it is less worrisome when viewed in the context of Canadian history since the Second World War. Our net debt in 1979 is forecast at 22.2 per cent of the gross national product. That is up 3.3 percentage points from the previous year, but only 3.2 percentage points higher than in 1972. Ten years previously, in 1962, it was 33 per cent of the GNP, in 1952 it was 52 per cent, and in 1947, at the end of the Second World War, it was 110 per cent of the GNP. I present these figures only to place the national debt in perspective. The size of this nation's debt is not at this stage an albatross to economic development and growth.

So far I have talked about transfer payments, debt and total spending. Now I should like to draw hon. members' attention to one of the most significant features of these main estimates, and that is the fact that the net operating and capital expenditures of the federal government itself are holding absolutely constant in 1979-80. Not one more dollar is being spent for federal operating and capital requirements than was spent in the previous year.

● (1520)

Some hon. Members: Hear, hear!

Mr. Buchanan: In its own operations the federal government is absorbing all price and demand increases without using one more dollar than in the current fiscal year. In real terms the purchasing power of departments has decreased significantly because of the influence of inflation. Within this type of restrictive framework we have been able to introduce some new initiatives. We have not ignored the nation's pressing need for skilled workmen. We have allocated additional resources for training programs and labour market development. I am most encouraged by the creation of the Board of Economic Development Ministers headed by my predecessor, and by the impressive work already under way to aid the economic climate of the nation.

We have developed policies backed up by dollars to encourage the businessman to take advantage of opportunities. We are helping to develop the basic economic environment through research and development incentives and further incentives geared to investing in the private sector through tax and other incentives. All this was within a fiscal framework set eight months in advance of the fiscal year for the first time in history at a figure well below the anticipated growth rate of the GNP.

The $52.6 billion forecast for total spending is the total. I am confident, as in each of the last three years, that we will come in under that target figure. Our public service has decreased in size 2.1 per cent, while population, labour force and demand for service have increased. Our national debt as a percentage of the GNP is considerably lower than it was ten years ago. The amount of money being spent on government operations and capital investments expressed in absolute dollars will be exactly the same as it was in this fiscal year; not one more dollar. Is this a question of a government overtaken by events, lacking control of its fiscal policies? Can anyone say in clear conscience that federal government spending is out of control?

An hon. Member: Put me on the list.

Mr. Buchanan: The record clearly refutes any such illusion. Year after year we have set total spending targets which include supplementary estimates and every other expenditure to be made or anticipated, and we have not exceeded them. Not once have those targets been in jeopardy. The evidence is in the blue book and the companion publication which Treasury Board ensures reaches every member of parliament. All government expenditures are covered; 60 per cent are covered by statute and the balance is subject to appropriation by parliament. Nothing is hidden; nothing is missing.

Every dollar which passes through the federal government's treasury is accounted for in the main estimates. As I said before, the information I am placing before hon. members covers the total proposed government expenditure program, including provision for supplementary estimates, loans, grants, subsidies, budgetary and non-budgetary outlays. It is all there, whether items such as grants and contributions require approval by appropriation acts or reflect approval by other statutes.

However, we acknowledge additional detail would be helpful to hon. members. The other day I made reference to this in response to a question by the hon. member for Brome-Missisquoi (Mr. Grafftey). We would like to improve upon the plans and presentation of the main estimates. I want to make it clear there are no omissions in the information provided in the main estimates. However, we can improve upon the form and content of the estimates to make them easier for members to read, comprehend, evaluate and use. I do not want to anticipate the contribution to be made by the Standing Committee on Public Accounts currently examining this subject; but I want to emphasize I am receptive and sympathetic to suggestions which will be forthcoming.

Also it is possible to provide supplementary information in a manner which may be more detailed without adding to the complexity. Further, we may be able to improve on the content in a way which will assist managers in carrying out the expenditure plans of the government, and in so doing provide an improved basis for comparing actual expenditures with plans for purposes of evaluation and accountability.

This spring I expect to present to hon. members my proposals on the principles and presentation concept for a new form of estimates. I trust there will be wide discussion and

consultation on them with hon. members, government departments and others. If general acceptance is evident, my proposal would be to select several departments to present pilot projects of a new estimates format in parallel with their regular presentations for 1980-1981. These pilot projects would provide the occasion for further study and discussion in parliament and its committees. Then we could move forward to introduce progressively a totally reformed estimates package which would incorporate the requirements identified by hon. members. But let us make no mistake: old form of the estimates or new, the message is the same. The government has demonstrated that its present expenditure plans meet all of its commitments. The record has shown that we not only plan to meet them but that we implement and control our expenditures accordingly.

Some hon. Members: Hear, hear!

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, last year in reply to the then president of the treasury board and his statement, I made the observation that the minister was employing a lot of flimflam, in the manner in which he presented his data, to try and create the impression the government was doing a lot better than it was. Compared to the present President of the Treasury Board (Mr. Buchanan), his immediate predecessor was an example of openness and honesty.

This is the first time an opposition critic of the Treasury Board has not been given a copy of the minister's remarks in advance. We have not been given any copy. There was a press briefing at ten o'clock, a lock-up for the press. We asked permission to attend and we were denied such permission.

Mr. Munro (Esquimalt-Saanich): Is that a responsible government?

Mr. Andre: Last year the then president of the treasury board invited myself and hon. members of the New Democratic and Social Credit parties to his office at 12 noon on the day he presented the estimates. He gave us a copy of the blue book, the book entitled "How Your Tax Dollar is Spent", plus a copy of his remarks and the press kit. We were asked to embargo them until three o'clock, which request we honoured. We were provided with approximately 2½ hours to study the material in order to be able to respond in some depth, so that the public and members of the press would receive a true, balanced perspective to make their own judgment on what should be reported after being given the two points of view.

This year at 1.15 p.m. we were invited in for sandwiches. A senior official of the Treasury Board presented a half hour of cooked data and charts, selected data along with the sandwiches. At approximately 1.50 p.m. we were informed we were not allowed to take anything out of the room. We were not allowed to take copies of the blue book, the book entitled "How Your Tax Dollar is Spent" or the information on the chart.

Mr. Nowlan: Shame.

Mr. Andre: The President of the Treasury Board has the gall to stand and say that he accepts the recommendation of the Auditor General for a form of the estimates. He does not even know what the Auditor General is talking about.

Mr. Buchanan: I did not say that. The hon. member can read what I said.

Mr. Andre: The entire purpose of the Auditor General's recommendation was to make the spending process more open, to disclose to the public and the House the government's true spending plans; not to cook things so that a lopsided view of the government's intentions are presented in a manner which precludes any criticism on the day they are presented. Flimflam is too light a word to use in this instance.

Mr. Buchanan: The hon. member would be inarticulate without it.

Mr. Andre: For a moment I should like to deal with the global figure of $52.6 billion. How was that figure produced?

Mr. Martin: Add up the totals of the departments.

Mr. Andre: There are the main estimates, budgetary and non-budgetary, reserves for supplementaries and some estimates of lapses. This year the government is estimating the lapses will be $1,217 million. Last year they amounted to $1 billion, so the figure is more than $200 million larger this year than last year. This year they are estimating $1,350 million as reserves for supplementaries. Last year the figure was $1,550 million, so there is another convenient $200 million change in the figures.

● (1530)

Using the same estimate last year that the government is using this year for lapses and supplementary reserves, the figure projected for the coming year is not $52,600 million but rather $53 billion. The projected increase in percentage terms this year, using the same basis the government used last year, is 9.7 per cent, a larger increase than last year. The claim by the minister that in fact we are doing better this year than last year is a bunch of nonsense. It is arrived at by cooking the books. It is arrived at by doing the very thing the Auditor General said should not be done if the government is to bring honesty and openness into the spending process. Obviously that is something this minister does not believe is important. Why do things honestly and openly if it is politically safer to be devious and hide things? That is the approach he has taken.

I did not receive a copy of the minister's comments, although it is the custom in this place for ministers to give the opposition critics such copies in advance. This is the first minister I am aware of to violate that tradition or practice. In his remarks the minister talks about what a good job the government is doing in terms of reducing the national debt as a percentage of gross national product. If we look at the figures as he indicated them we will see that in 1946, at the end of the war, the national debt as a percentage of gross national product was 100 per cent. Every year since then, year after

year, there has been a decline in the national debt as a percentage of gross national product, until the year 1975. Since then, year after year it has been increasing. The significant thing is that since this government embarked on its so-called restraint program in 1975 the debt of this country as a percentage of gross national product has been increasing year by year. It is that trend that should be worrying the government, and it is that trend that should be worrying the minister. Comparisons between 1946 and this year are meaningless. What is meaningful is the trend of the debt to go up and up and up in the last few years.

This increase in debt is producing in the coming fiscal year a debt load of $8.38 billion. The interest expense for the next year will be higher than the entire budget of the Government of Canada when it came into power. We are to pay more for interest this year than was spent by the government in that year; more interest is being paid than the total amount spent eight years ago. That is the fact that should be concerning the people.

I sincerely hope this manipulation that has been carried out by this minister, together with the hidden and secretive way in which he has approached the disclosure of these estimates, will not fool the public, and that the public will realize that the government is planning to increase its expenditures this year at a higher rate than last year, that is, by 9.7 per cent as opposed to 9.5 per cent last year. I hope the public will realize that the global increase of $4.3 billion is the largest dollar increase since 1975. I hope that by now the public has recognized the ability the government has for cooking the books on the non-budgetary side, by transferring certain loans over to Crown corporations and, voilà, they disappear from the estimates. The government claims it is cutting expenditures when all it has done is transfer them to other entities so they do not show up in the blue cook. That method has been used again this year in the projection of federal supplementaries and lapses to the tune of $400 million. These expenditures have been hidden from the public.

Let me repeat what I said in my opening remarks. This minister has not had the common courtesy of allowing members of parliament the same privileges given members of the press when they are locked up for a period of time to examine the books prior to their being made public. This minister did not provide us with an advance copy. Having withheld that courtesy from members who are spokesmen for opposition parties, it is difficult for members to comment in detail. The minister's predecessor has followed the practice of making copies of his remarks available in advance. That is a practice followed in this House by most ministers.

This is a marvellous book, and I am sure the secretariat of the Treasury Board spent a great deal of time putting together these nice little pictures of selected data designed to make this government look good. Honesty has not been a first requirement in the assembly of this data. Obviously the first requirement has been to pick out the numbers that make the government look good. This government has put these figures together in such a way that it hopes people will think it is doing a good job. That is what the secretariat and the minister have done, and that is why the Auditor General is insisting that the Comptroller General assume responsibility in respect of the form of the estimates. Obviously the motivation of the present group is not to inform but in fact to deceive the Canadian public about the profligate spending policies of this government.

Without a copy of this material in advance it is difficult, as I have said, to go into detail at this time. However, in the days and weeks ahead the House can be sure we will fulfil our responsibilities by carrying out a double check on this government in an effort to bring some semblance of order and honesty to its approach to the spending of taxpayers' money.

Some hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I cannot get as excited as spokesmen for the official opposition about the failure of the minister to make copies of the documents available in advance. I do not think opposition members could get much more by having copies of the documents available at ten o'clock in the morning than by obtaining them at 1.30 or one o'clock. I suggest that what we need is not the presentation of documents one, two or three hours before the minister's statement, but weeks or months before. What we need is open government such as the Auditor General has suggested. There is no need for the kind of secrecy we have witnessed. Let me suggest to the minister that even in this country there comes a time when a government party may find itself in opposition and may regret that when in government it did not provide the opposition with more information.

According to the minister, the government is involved in a restraint program. I suggest it is limiting its expenditures in important fields such as post-secondary education, health and social services, not because needs in these fields have lessened, but simply because it seems to the government that this is the popular thing to do. The government has put a ceiling on the increases it will pay toward the cost of medicare and hospitalization, both of which programs were really pushed by the federal government and which are now to be paid increasingly by the provinces. This government has put a limit on Canada Assistance Plan expenditures for social services, again a program initiated by this federal government, the increase in the cost of which, when not to be paid by the government, will have to be paid by the provinces. It has put a limit on the amount which it will pay for the increasing cost of post-secondary education. It has cut back on employment programs, such as Outreach, which were doing a tremendous job of finding work for people who have found it difficult to find work, who did not fit into the work force in the normal way and for whom the manpower department was a complete failure. It has cut back on the amounts paid for the manpower training allowances. It has cut back on funds for housing although there are still hundreds of thousands of people in Canada who are poorly housed.

● (1540)

However, are the needs for these programs any less? Is that the reason the government is cutting back expenditures in these fields? No, the needs are not less and the costs are not lower. In fact, they are higher. The result of these cutbacks will inevitably be that the provinces, which have much less ability to find the money to pay for these programs, will be required to find money, and the individual citizen will be required to bear the increased burden of these programs or do without.

There are indications that this is already happening. In the Department of National Health and Welfare which group has felt the axe of these restraint programs? One would think that at least the government would be more selective and that, more properly, it would have started at the top. What the government has proposed to do is to put the blocks to the poorest people in this country, the people whose standard of living can be compared with that of people living in some of the underdeveloped countries in Africa and Asia, the native people. These are the people the government proposes to give the chop to.

The universities and community colleges are having to cut back on their programs and to increase their fees. The increase in registration fees at one of the universities in my province last year was 20 per cent, and there will probably be another increase this year. Many hospitals in cities across Canada are having to close because the provinces do not have the money. As the federal government cuts back they are required to exercise restraint within their hospitals, and all of this with hundreds of thousands of people on hospital waiting lists.

Medical research is feeling the strain of these cutbacks. Through bookkeeping devices the government tries to hide this fact, but medical researchers cannot be fooled and they know that there is restraint in this area. As a result many medical researchers are moving to the United States.

What is the reason for this government restraint? The government says: "If we do not have restraint we will have more inflation, and inflation is terrible for the poor people; therefore, we have to protect them." One way in which the government is attempting to protect the poor people is by eliminating its subsidies on bread and milk.

An hon. Member: Shame.

Mr. Orlikow: On the other hand, they have allowed gas and fuel oil prices to rise. The result is that inflation is up, according to the figures which were published today, by 8.9 per cent. This is almost the level inflation was at in 1975 when the government brought in the anti-inflation program. According to today's figures, food prices increased last month by 1.9 per cent, and this was in the main due to the increase in the cost of bread. That is what government restraint means.

In his remarks the minister suggested that the reduction in public servants by approximately 6,000 positions would be accomplished without too much hardship. The minister must isolate himself rather effectively in his office because I do not think there is one member of parliament in any party who has not met people who have worked for the government for years and years and are now being laid off. I recently heard of a 50 year old doctor who had worked for national health and welfare for over 20 years and had received his lay-off notice. To say that these lay-offs are being conducted without any real hardship is either nonsense or ignorance.

The minister says that the restraint program is working, the government is playing a smaller role in the economy, which is working, and the private sector is picking up the slack. The minister can juggle the figures all he wants, but I would like to refer him to a full page article that appeared in the *Financial Times* last week which raised some very serious questions about the claim that 400,000 some odd jobs were produced last year. No matter how many new jobs were produced last year, the fact of the matter is that we have more unemployed in this country right now than we have had since the great depression of the 1930s. There were 977,000 people unemployed last month according to the official figures. Anybody who really cares knows that there are probably another 250,000 people who have given up looking for work because there is no point in doing so if one is unemployed in Glace Bay, Come-By-Chance, Newfoundland or the Interlake area of Manitoba, because there are no jobs there. This is what the government's economic policies and restraint program have brought us.

At the same time as the government preaches restraint and pats itself on the back for how well it is doing, it continues to hand out the goodies to the favoured few.

An hon. Member: Fat cats.

Mr. Orlikow: The pulp and paper industry, which is one of the most efficient and profitable industries in Canada and always has been, has been using its money to invest in other countries, such as buying plants in the United States or building new plants in Brazil. These foreign plants will eventually compete for sales with Canadian companies. What did the government do for this industry just a couple of weeks ago?

An hon. Member: Played Santa Claus.

Mr. Orlikow: It gave this industry over $200 million without provisions for monitoring the money to ensure that it will be invested in Canada.

The automobile industry is the most profitable industry this world has ever seen, but what does the government do to get them to build a plant in Windsor? It bribes them by giving them a grant of some $80 million. This government would like to bribe GM to build a plant in Quebec. Why should we have to bribe the automobile companies? They have made hundreds of millions of dollars in this country, and they are still making hundreds of millions of dollars every year in this country. Why do we not require them to build their plants in Canada to sell automobiles in Canada? There is no reason except that this government has no industrial strategy policy.

This government goes from disaster to disaster trying to plug the leaks. This so-called Liberal government is in the

process of stealing the program and platform, plank by plank, of the Conservative party. They are taking this country back to the economic policies of Herbert Hoover and R. B. Bennett. The results of that policy will have the same effect as similar policies had in the 1930s, and the present recession may well turn into a full-fledged depression.

The minister is proud of the number of jobs the government has created. I would like to conclude by reminding the minister that, according to official figures issued by Statistics Canada, some 977,000 people were unemployed last month. This figure amounts to 8.1 per cent of the labour force. We know that there were probably another 250,000 people who were looking for work but who were not counted. If the government continues its present policies of restraint coupled with its failure to come up with an industrial strategy which will put our people to work, a year from now we will not have 8.1 per cent unemployment but probably 9 per cent to 9.5 per cent of the labour force will be unemployed. Instead of 977,000 people unemployed there will probably be 1,250,000 people unemployed. That is what the government's restraint program means, and we think that the government is dead wrong.

• (1550)

[*Translation*]

Mr. Richard Janelle (Lotbinière): Mr. Speaker, my comments will be very brief and for the same reasons put forward by the hon. members for the Progressive Conservative party and the New Democratic Party. Not having received this documentation and not knowing exactly what it contains, we would rather hold our comments until later and we will study these estimates very closely.

Mr. Lloyd Francis (Ottawa West): To follow the comments of the hon. member who has just spoken, I will simply say that I find myself in the same situation. I did not receive the documents but that does not prevent me from speaking, for I have something I want to tell the House.

[*English*]

The form of the estimates about which the minister said a few words has been a matter of discussion at some length by the Standing Committee on Public Accounts of which I have the honour of being the vice-chairman. The minister in his statement today has indicated—

Mr. Alexander: A point of order, Mr. Speaker. I thought the usual procedure was that the minister delivered a statement, the official opposition replied, then the New Democratic Party had an opportunity to reply and finally the Social Credit party. I did not think there was any room at this time for a backbencher on the government side to deliver a speech. I figure that this is the time when we have the opportunity to ask questions. It usually happens when the minister has completed his speech and, therefore—

Mr. Francis: Does the hon. member want to deprive me of my rights in this House of Commons?

[Mr. Orlikow.]

Mr. Alexander: On that point of order, Mr. Speaker, I am not trying to deprive the hon. member of anything whatsoever. I am trying to tell him, through you, Mr. Speaker, that there is a certain sequence of events which takes place. I should like to have the opportunity of asking the minister the first question. I noticed that the minister—

Mr. Pinard: Mr. Speaker, on that point of order, I think the hon. member for Ottawa West (Mr. Francis) had the floor. May I refer you to Standing Order 15(3) which reads as follows:

—a minister of the Crown may make a short factual announcement or statement of government policy. A spokesman for each of the parties in opposition to the government may comment briefly thereon and members may be permitted to address questions thereon to the minister.

An hon. Member: That is right, questions.

Mr. Pinard: I have not finished.

The Acting Speaker (Mr. Turner): In my opinion the hon. member for Ottawa West (Mr. Francis) was going to ask a question. That is why I recognized him.

Mr. Francis: Mr. Speaker, I have had the honour of serving as vice-chairman of the public accounts committee—

Mr. Andre: Question.

Mr. Francis: Hon. members on the other side are very quick if we on this side try to cut them down. Do they not give me the same rights as they demand for themselves? Are they not prepared to say the rules are the same for all hon. members?

Mr. Andre: Ask a question.

Mr. Francis: Mr. Speaker, I want to ask a question of the minister but I do have a preamble. In view of the problems in connection with the format of the estimates—

Some hon. Members: Oh, oh!

Mr. Francis: I shall take my time, Mr. Speaker, as I am sure I have the right to do. The problems have been considered at some length, not only by the Auditor General in his various reports but also by members of the public accounts committee. In view of the models which had been developed, not only for government departments but for Crown corporations, in order to render the estimates in a form which is more comprehensible to hon. members, I venture to suggest there is not a single hon. member in this place who will read every word in these documents. Very few of them have an opportunity of using the information in a way that is helpful.

My question to the minister is this: Just when does he feel it will be possible to make a more detailed statement concerning the format of the estimates following the suggestions of the Auditor General and the committee in order that they could be put in a more useful format for hon. members of this House?

Mr. Buchanan: Mr. Speaker, as I indicated during the course of my remarks, I hope I will be able to do that later this

spring. I look forward to receiving comments from the public accounts committee which is doing a detailed study of this matter right now. I would, of course, wait to receive that study before making comments or suggestions.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I still want to register my concern. There is a practice, with all due respect, that the first questions come from this side, but I will not argue with Your Honour.

I want to ask the minister to elaborate on the statement he made about pilot projects being implemented by certain departments in order to bring about what I think he implied—a better form of estimates. I want to know what stage this new innovative step has reached. What departments is he talking about? What is the time-frame? In other words, just stating there are some pilot projects does not mean a thing to a minister or to any member of the House. I just want to ask that question and a couple more.

Mr. Buchanan: Mr. Speaker, as I indicated during the course of my remarks and as I suggested to the hon. member for Ottawa West (Mr. Francis), I should very much like to receive suggestions from the public accounts committee. I hope to bring these proposals forward later this spring. If general acceptance is evident, the proposal would be to select several departments at that time to present pilot projects for the new estimates format in parallel with their regular presentation for 1980-81.

Mr. Alexander: In other words, what the minister is saying is that, notwithstanding the concern that the Auditor General has registered with this parliament and the people of Canada, he has done nothing other than come to the House and say he is thinking about introducing a pilot project which will affect some departments, and which may bring about a more readable or understandable form of estimates.

This matter is extremely serious. As a matter of fact, I think it borders on the chaotic. The Auditor General says it is a gamble now—not next spring or next year—for him to certify the government is spending what it says it will spend. In other words, the Auditor General cannot do his job; it is a gamble. Surely, under the responsibilities of the minister, this matter must have been discussed with the Auditor General, so I should like to hear the minister's reply to him. This is the sort of thing that would be cleared up immediately in the private sector. I want to know whether we still have to wait until the minister understands that this is a very serious matter.

Mr. Broadbent: What are the odds of the gamble?

Mr. Buchanan: Mr. Speaker, the hon. member is well aware that we have been addressing ourselves to this matter. To suggest that the Treasury Board secretariat and the Comptroller General have not looked at the matter is absolute nonsense; as the hon. member well knows, they have appeared before the public accounts committee. The Auditor General, the Comptroller General and the Treasury Board secretariat are looking very carefully at the form of the estimates. The Auditor General has suggested to us that he is happy with the way the arrangements are moving ahead. There is also, in parallel, the study being done by the public accounts committee.

We are certain, with all this input, that we are going to come up with improved estimates that will be of more use to members and to the public. Every bit as important, they will provide an effective means for managers within the public service to discharge their financial management responsibilities more effectively. It is totally wrong to suggest that this matter has just arisen lately and that sufficient attention is not being paid to it.

Mr. Alexander: All I know is that the Auditor General says right now that it is a gamble to certify the books. All I am saying is that this is a very serious matter. The fact that the Auditor General has indicated the government's spending documentation was so unclear and incomplete that he cannot do his job is further impetus for saying that this is a matter of a critical nature.

• (1600)

My last question is this: Will the minister kindly advise why after that delightful lunch he found that it was not possible to give the opposition parties an opportunity to read his statement? If he had done so we would have been able to look into it and have a better understanding and be better prepared to reply. Is there any excuse the minister can possibly give for that reprehensible conduct, conduct which I think is unnecessary? It is certainly not in keeping with with the precedent that was set by his predecessor; he did allow us the opportunity to look at the statement so we could have some in depth study. Is there any reason why the minister did not want us to see his statement before he gave it at three o'clock?

Mr. Buchanan: Mr. Speaker, absolutely none. As I indicated to hon. members over lunch, I was not aware they had made representations in an endeavour to be involved in the press session earlier. I indicated at that time I would be quite prepared to organize a similar briefing for hon. members next year.

An hon. Member: You will not be here then.

Mr. Buchanan: The point I would like to make to the hon. member for Calgary Centre (Mr. Andre) is this. He has not learned yet that one cannot suck and blow at the same time. He spent considerable time developing the suggestion that they were cooked books, that the material was a pack of lies and it was a series of mistruths. He then went on to say that he wanted this information sooner. It seems to me that he should make up his mind. Either the material is sound, which I believe it to be, or it is not; that it is worth-while, which I believe it to be, or it is not. Hon. members are quite right in suggesting that by having access to this information earlier they could come to this question period prepared. I suggested to them when we were discussing the matter that I would be quite happy to make the arrangements. I am rather puzzled

that hon. members made the points they did on this subject. Unquestionably this arrangement can be made, and I will be happy to look after it for them.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my initial question to the President of the Treasury Board (Mr. Buchanan) deals with this new accounting principle which the government have adopted of revenue expenditure. I direct the minister to page 29 of his explanatory booklet in which it is stated that in the main estimates national health and welfare go up a total of $1,367 million. My question to the minister is this: Am I correct in stating that that in fact would be something over $1.8 billion in expenditures if they had not chosen to make the family allowance change that is reflected toward the end of that page, where it is stated that there has been a reduction of $491 million in family allowance payment? In short, have they not put into the revenue expenditure column $491 million, which has the net effect of reducing that estimate by $491 million notwithstanding the fact that more than that amount will be going out in loss of revenue?

Mr. Buchanan: Mr. Speaker, no. Unless I misunderstood the hon. member, that does not involve the concept of revenue expenditure. That represents a deduction in family allowance of $491 million. That is a result of two things; it is partially demographic and partially the reduction from $26 or $27—whatever it is—to $20 per child, if I understand the hon. member correctly.

Mr. Stevens: Mr. Speaker, the minister has conveniently tried to misunderstand me.

An hon. Member: It is not hard.

Mr. Stevens: Perhaps I will be a little more direct. The minister will recall that a $200 payment was approved in this House to be in the form of an income tax credit. That payment, which amounts to something in the neighbourhood of $700 to $800 million, must be covered some place. If it is not covered in expenditure estimates as brought forth by the minister, it will obviously be covered in the loss of revenue. Will the minister say whether it is not true that the expenditure reduction in family allowance that he shows of $491 million will be more than offset by a revenue loss when $200 per child payments are made some time in April, conveniently just before the election?

Mr. Buchanan: Mr. Speaker, as the hon. member has made it quite clear, with the exception of those who normally would not have income tax payable, it would be in the form of a revenue reduction to the Crown. It is normally not shown as an expenditure. It will show up in the figures of my colleague the Minister of Finance as reduced revenue to the federal Crown.

Mr. Stanfield: We never see them.

Mr. Andre: Mr. Speaker, my question is for the President of the Treasury Board. This figure of $52.6 billion which he produced today is coincidentally the same as the one that was talked about last September, which was only achieved by some Draconian cuts to the extent of $2 billion. If those cuts are real as opposed to fictional, the minister must have in his possession detailed estimates, at least in global form, that would have been applicable if those $2 billion cuts were not made. Is the minister in a position to give those figures to hon. members and to the public at this time, namely what the estimates were before those so-called cuts were undertaken?

Mr. Buchanan: Mr. Speaker, unless my memory is incorrect, that information was provided last September to the House of Commons by my predecessor, the President of the Board of Economic Development Ministers (Mr. Andras), and by the Minister of Finance when they gave the detailed breakdown of where the $2 billion cut was occurring in planned expenditures, the $500 million that was for the upcoming fiscal year, 1979-1980, as well as the $500 million cut that applied to the current fiscal year in taking it from $48.8 billion to $48.3 billion. All that information was provided at that time and is available.

Mr. Andre: Mr. Speaker, in order to try to get some relationship between the years so that we can make comparisons on a year to year basis that are realistic, it is necessary to ensure that one is talking about the same thing in different years. These estimates did not include CMHC figures because CMHC is going directly to the marketplace for its money rather than going to the Department of Finance, as was the previous practice. That is roughly $400 million in expenditures that are not in these books but were in previous books. The Export Development Corporation also has about $400 million of spending which had been in previous estimates but which, by a bookkeeping manoeuvre, were removed from this blue book. The Federal Business Development Bank has similar funds which have been removed from the spending estimates by this bookkeeping procedure.

My question is this: What would be the total spending of the federal government for the next fiscal year if the same basis was used this year as was used, say, four years ago? That is to say, if the same entities were included in this blue book that were included in the blue book four years ago, would the minister not agree that spending would be in the vicinity of $54 billion or $55 billion?

Mr. Buchanan: Mr. Speaker, I would have to examine that. But whenever changes have been made I recall quite clearly that my predecessor indicated what the changes were and where they were made, the same as I did this time in identifying the 1,400 man year reductions in the transfer from the federal to the provincial governments. That has been done whenever any changes of this nature have occurred. I am sure that material can be put together in its totality. But those changes have always been identified when they have been made. To say what they would have been had conditions remained unchanged over the last four years is not a realistic thing to do. Conditions have changed. These entities are now dealing directly in the marketplace, which I believe is a healthy move and a good way for them to function. To suggest, to use the hon. member's words, that there is some flimflam or

hanky-panky here is nonsense. Whenever it has been done it has been clearly identified.

• (1610)

Mr. Andre: Would the minister not agree that it is meaningless to have his officials appear before the press pointing with satisfaction to increases of 8.9 per cent and 9.7 per cent and saying that since 1975 there had been only modest increases, less than increases in the gross national product? Would the minister not agree that these are meaningless numbers when in fact the programs included in the total spending have been changing year by year? The government has not disguised the fact, it has admitted there have been changes, but does the minister not agree that in these circumstances the comparisons are meaningless?

Mr. Buchanan: I am puzzled. Maybe it just shows the Conservative nature of the hon. member's thinking. His idea is to lock things into a static, unchanging position and never change. What about the new programs which have been introduced? Are they to be eliminated so as to compare apples with apples? The situation evolves. Things change. New programs have been introduced and certain programs have been dropped. It is unrealistic to suggest things can be frozen at one point in time and shown always in the same way forever in the interest, the hon. member says, of an undistorted picture. The situation changes and will continue to do so.

Mr. Rae: It always changes in your favour, though.

An hon. Member: Well, well, where have you been?

Mr. Lorne Nystrom (Yorkton-Melville): I have a question in which the hon. member for Battleford-Kindersley (Mr. McIsaac) is very interested. How does the government determine its priorities when cuts are made? I notice from the blue book that some $90 million is being cut from food production and marketing, over $1 million dollars from crop insurance and about $250,000 from animal research. The Minister of Finance (Mr. Chrétien) has expressed concern about increased inflation arising from imports of food. It seems to me that if the government had a real strategy it would be promoting the production of domestic food in a move toward self-sufficiency. Such a policy would call for increased funding for programs I have mentioned. In working out its cuts, does the government seek to support through budgetary priorities the economic policies of the Minister of Finance or the general thrust of the statements made by the Prime Minister (Mr. Trudeau)? Or is it a matter of trying to pin the tail on the donkey?

Mr. Buchanan: Not at all. The hon. member is well aware that over the last few years we have, I understand, increased in an unprecedented fashion the amount of our food exports. It is absolutely wrong to suggest that this does not enjoy a priority on the government's part. If the hon. member wishes to ask questions on various detailed aspects of this program he should obviously address himself not to me as President of the Treasury Board but to the Minister of Agriculture (Mr. Whelan).

Mr. Orlikow: I should like to ask the minister to give us more information with regard to the reduction of 5,700 in the number of public servants of which he spoke. What percentage of these will be in the national capital area and therefore engaged in administration, and what percentage will be out in the various communities engaged in the actual delivery of programs?

A second question. I am speaking from memory but I believe the hon. gentleman told us there would be a reduction in the number of post office personnel of either 1,600 or 1,800 people in the coming year. We have spent well over one billion dollars on equipment to computerize and automate the post office operation, yet the mail is moving slower than ever. It took five days for a letter mailed to me from Toronto last week to reach Ottawa.

An hon. Member: You're lucky!

Mr. Orlikow: A friend of mine—

Mr. Speaker: The hon. member was about to put a question, I believe, before he began to make a speech.

Mr. Orlikow: I am trying to give an illustration. The mail is moving slower than ever. At the same time there are tens of thousands of people in the new urban areas who have been waiting up to four years for door to door delivery of mail and cannot get it because the government is putting a freeze on increases in service. How does the minister propose to reduce the number of post office staff unless he is prepared to destroy completely an already unsatisfactory delivery service?

Mr. Buchanan: Questions concerning the operation of the post office should be directed to the Postmaster General (Mr. Lamontagne). As to lay-offs, the latest information we have from the Public Service Commission—these are estimates—is that by April 1 the figure should be roughly 450, of which 60 per cent will be in the national capital. These figures are obviously based on best estimates we can get from the commission and over the succeeding couple of months there could be an additional 250 to 350, for a total, nationwide, in the order of between 700 and 800 individuals.

In his comments the hon. member suggested we were insensitive to the requirements of post-secondary education, of medicare and the needs of the family. I do not know whether he was listening when I made my remarks. I stated that approximately 58 per cent of the $4.3 billion increase this year is going directly to transfer programs to individuals and to the provinces to pay for things such as old age security, the child tax credit, medicare and post-secondary education. These are precisely the areas which are receiving the highest priority.

Mr. Orlikow: Mr. Speaker, when I said the government was reducing its contributions to the various shared-cost programs, I had this in mind: from the inception of the programs until April last year the government was paying approximately 50 per cent of the cost. As of last year the government put a cap on the increase it would pay in any year, the cap being the amount of the increase in the gross national product. If the

cost of administering and paying for those programs is more than the increase in the gross national product, the provincial government, or the individual citizen, is obviously going to have to pay the difference in the short haul.

My question, then, is this. The minister just now spoke of several hundred people having been laid off. The figures I have been receiving from the Public Service Commission show that some 2,500 people have been laid off or have been given notice that their services will be terminated as of either March 1 or March 31. The minister's own figures for next year show a reduction of 5,700. There is quite a discrepancy, Mr. Speaker, between the 450 the minister spoke about a couple of minutes ago and the 2,500 who have either been laid off or have received notice, and the 5,700 which is the figure in the blue book. Perhaps the minister would be good enough to explain that discrepancy.

Mr. Buchanan: Mr. Speaker, the figures which I gave the hon. member were ones which I received this morning. The anticipation is that the actual lay-offs nationwide will by April 1 be 450.

● (1620)

The answer is that by far the greatest number of these people are successful in getting relocated elsewhere in the public service in jobs which become vacant as a result of various forms of attrition, whether it be retirement, resignation, death or disability. Jobs are opening up continually as a result of the turnover within the public service. As I say, the figures I quoted to the hon. member were figures I received today.

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, I want to come back with a supplementary question. Did the minister announce a further reduction of 5,000 plus person years, or are we talking about jobs or positions? Second, over what period of time are these person years to be reduced?

Mr. Buchanan: Mr. Speaker, these are not actual employees but public service positions which are being reduced. The bulk of these reductions, according to my understanding, will be accomplished by the end of March or within the next couple of months, so that the vast majority of the people involved with this should receive lay-off notices as we move into the next fiscal year.

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I would like to follow up the point the hon. member for York-Simcoe (Mr. Stevens) was trying to clear up because it seems to me that the government sometimes has a choice between increasing expenditures and providing a tax credit, and in terms of the over-all financial position of the government—in other words, in terms of the effect of these transactions upon the size of the surplus or the size of the deficit—it comes to the same thing.

However, if one employs a revenue expenditure approach, to the extent one does that it really makes rather meaningless talk about controlling expenditures. For example, if the revenue expenditure in terms of the tax credit with respect to family allowances had not been put out in that form but had been directly expended, it itself would have amounted to a 1 per cent increase in expenditures. What I am really asking the minister—and I would like him to comment—is whether it really means anything to say you are limiting the increase in expenditures by whatever—8.9 per cent—when you are fooling around or, to use a more polite word, making adjustments between the expenditure side and the revenue side.

It seems to me that I would not be very far out to say with some degree of firmness that the minister's assertion that escalating the increase in expenditures 8.9 per cent does not really mean anything because he is taking some things from the expenditure side and cutting down his revenues. So when one is looking at the over-all position of the government, it really does not mean anything. It really does not mean anything for the minister to insist that he is restricting expenditure increases by this amount. One has to take into account the kinds of expenditures he is making through reductions in revenues also, which is the valid point, it seems to me, which the hon. member for York-Simcoe was trying to make.

Mr. Buchanan: Mr. Speaker, the hon. member got into what is an extremely interesting area, the whole concept of revenue expenditure which, as the hon. member is well aware, is one which has not really been utilized in Canada. It is used in the United States where each year, other than the basic exemptions in the tax system, it is my understanding that all other forms of what are termed tax expenditures, i.e., forgone revenue by the government, are shown and listed each year. The amount that is lost by registered pension plans, registered retirement savings plans, registered home ownership plans, R and D incentives all of these are shown as revenue expenditures.

To date that concept has not commended itself to us here in Canada. We have not used it. As I am sure the hon. member is aware, my responsibility is related purely to the actual expenditures which are made by the government. If we get into the question of tax policy, we are moving into the preserve of my colleague the Minister of Finance; but from my point of view of responsibility for expenditure ceilings and keeping within those expenditure ceilings, I believe we have accomplished that goal. If the hon. member is saying he does not like some of the changes which have been made in the tax structure, that is a totally different matter which should be taken up with my colleague the Minister of Finance.

I gather from the nodding of the head of the Leader of the New Democratic Party that he would like to see some system of revenue expenditures. That is another subject, the discussion of which would involve a considerable amount of time, and I think it would be an extremely interesting one.

Mr. Stanfield: Mr. Speaker, without going into the ramifications of this concept, will the minister not agree that if he has been able to effect a reduction in expenditures by some tax expenditure, then when one is comparing the extent to which he is controlling his expenditures, this should be taken into account, and would it be not very difficult to produce estimates

which would go up by only 7 per cent? One could probably do this by making some further tax expenditures. That was the hon. member's point, and that is the point I am making. I am just suggesting in all sincerity that the minister's assertion that he has restricted the increase in expenditures does not mean anything except in terms of his own definition of what an expenditure increase is.

Mr. Buchanan: Mr. Speaker, there is some validity to the hon. member's point, but where do we draw the line? Do we look at all the various tax incentives and tax concessions which are granted to Canadians, whether they be capital gains taxes or anything else, and begin to classify those as expenditures? I am not speaking pro or con on the subject. I am saying it is a new concept. To date what have been classified in this country as expenditures are those ones where the government actually gathers in revenue from the taxpayers of Canada and subsequently redistributes it, whether it be to the provinces, directly to individuals or for the purchase of its own goods and services. To date that has clearly been the concept which we have used in this nation. If the hon. member is advocating that we should move to integrate into that the concept of revenue expenditures, or tax expenditures to use his term, then that is a basic policy question we could spend considerable time debating.

Mr. Speaker: Order, please. Bearing in mind the number of members who have been trying to get the floor and bearing in mind that I have to draw a line and limit questions at some point, a balance will have been fairly achieved and a reasonable number of members will have participated if I conclude the questions by recognizing four other members, the hon. member for Bellechasse (Mr. Lambert), the hon. member for Peace River (Mr. Baldwin), the hon. member for New Westminster (Mr. Leggatt) and the hon. member for Dauphin (Mr. Ritchie).

● (1630)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): As always, Mr. Speaker, you are showing fairness and I thank you for that. First of all I would point out to the minister, the President of the Treasury Board (Mr. Buchanan) that once again we have been taken by surprise. As far as I am concerned, I have been apprised of those papers only about ten minutes ago. It might not be the minister's responsibility, but I would like to remind him that in future, whenever possible, we would like to be able to examine a little in advance the statement the minister proposes to make in the House, in order to understand the issue before making our judgement and ask a few questions. In any event, I would not like to bore the minister with that—

An hon. Member: Agreed.

Mr. Lambert (Bellechasse): Well, you agree. Everybody agrees I think, but I would nonetheless ask a question which to me appears to be of great importance. In table No. 1 of document No. 5 on the public debt program, we find a rather spectacular increase in the 1968 net debt of Canada, which then was amounting to $39.622 billion, and which will reach an amount of $64.672 billion according to the estimates for 1980. Can the minister tell the House if he intends to consider very seriously that public debt increase, which surely has an impact on the economy of the country and the possibility to attract investors here?

Second, does he intend to make proposals to change somewhat or even a great deal the funding methods for the public sector to avoid those phenomenal increases in the public debt, automatically resulting as they do in very big servicing costs for that debt?

Mr. Buchanan: Mr. Speaker, first of all I accept the suggestion of the hon. member that hon. members would like to examine the documents in advance, and if I am still President of the Treasury Board next year I would be very happy to make the necessary arrangements as well as for the media. Furthermore, I believe the hon. member was invited this morning—unfortunately, the hon. member was not contacted directly; perhaps he did not receive the message inviting him to lunch, I do not know. Anyway, about the amount of the public debt, and as the hon. member pointed out, it is a heavy burden for the people of Canada and we are very aware of that problem. The percentage of the gross national product has been higher in the past than what the public debt represents. However, I grant him that it is a serious problem; indeed my colleague, the Minister of Finance (Mr. Chrétien), indicated that for the current fiscal year the deficit will be, I believe, roughly $12.1 billion but next year that deficit will be reduced to $10.7 billion. So, substantial progress is being made in that direction in an intelligent way, I believe. It is true that it is a very significant amount, and I hope to be able also to reduce even more the size of our deficit for the subsequent year.

Mr. Lambert (Bellechasse): I have a supplementary, Mr. Speaker.

Mr. Speaker: The hon. member for Bellechasse on a supplementary.

Mr. Lambert (Bellechasse): Mr. Speaker, to give others an opportunity to ask questions, I will be brief.

I note very briefly that there is a reduction of $158 million for the Department of Public Works. I understand the Department of Public Works is now responsible for urban affairs and the Central Mortgage and Housing Corporation. I do not want to embarrass the minister with my questions, but I would like to know if that reduction of $158 million is applicable only to the housing area or if it affects housing as well as public works in general?

Mr. Buchanan: If I remember well, Mr. Speaker, that applies particularly to public works; the other department comes under a separate vote.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I want to start off by making a comment about what the hon. member for Winnipeg North (Mr. Orlikow) said when he suggested the government was following the recommendations of the official opposition in bringing in these estimates. I want to say that this shocking statement will do a great deal to impair my political and social status in Peace River!

Some hon. Members: Oh, oh!

Mr. Baldwin: Having said that, I think I have to preface this question with a few preliminary words. It so happens I was chairman of the Standing Committee on Public Accounts some 15 years ago when the then secretary of the Treasury Board said that we had a scheme before us by which we could make it simple for members of the House of Commons and members of the public to understand the form of the estimates. There were so many votes at that time, and the intention was to reduce the number of estimates and make them simple and more comprehensible. After some reluctance, there was an agreement on the part of the committee. I remember at that time the Auditor General, Max Henderson, told us we were on dangerous ground because, as he said, once it happens, the dam will be opened and all hell will break loose. That is what happened and at present, to most members of the public, these estimates are incomprehensible.

Having in mind the extent to which parliamentary committees develop into legislative abattoirs when they come to consider estimates of the government, will the minister discuss with his colleagues, at least in the limited time he has to enjoy the privileges of power, and undertake that, for the purpose of having a more intelligent basis of discussion so that we can better discharge our responsibilities on behalf of the shareholders of this country, the taxpayers, the estimates of at least four or five departments will be brought into the House, where they would form the subject of discussion in the House, as used to be the case? Thus during the course of an average parliament of four or five years there will be an opportunity for the House, through the question and answer period and the very successful operation which those hon. members who were here at the time will recall, to examine the estimates, which is the only way in which we can get back to a sensible and meaningful method of discharging our duties to the taxpayers of Canada.

Mr. Buchanan: Mr. Speaker, the hon. member is making representations. As I indicated in the course of my earlier remarks, the Standing Committee on Public Accounts is now studying this. The triumvirate of the Auditor General, the Comptroller General and the secretary of the Treasury Board are examining it as well. That will deal basically with the form. The question of procedure and how it will be handled would relate, it seems to me, more to the activities of the Standing Committee on Procedure and Organization; but I profess no expertise in this department. Certainly so far as the form is concerned, we are looking very carefully at how it should be changed. From then on the way the estimates will be handled will not be a question for me as President of the Treasury Board to determine but rather for the House of Commons to determine.

Some hon. Members: Hear, hear!

Mr. Baldwin: The hon. gentleman is a good friend of mine. I like him in many respects and I would like to ask him the following simple question. Does he not consider personally, both from his experience as minister and from his recent brief experience as President of the Treasury Board, that that would be a more acceptable way, forgetting the Standing Committee on Procedure and Organization which obviously will not be called into existence before the end of this parliament? Does the hon. gentleman not consider that to be a more intelligent and sensible way to handle the estimates of this country involving some $52 billion?

Mr. Buchanan: It may well be, but I am sure the hon. member would also admit that we are likely not to have the form of the estimates changed before the event which the hon. member seems to be very conscious of will take place, in other words, in the next few weeks. So I really think his recommendations are at sixes and sevens with each other.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, in answer to a previous question the minister indicated that questions about specific items in the estimates should be directed to the minister involved. I can understand that he cannot have knowledge of all these questions. However, there are some changes in the estimates which deal with a variety of ministers. Surely the minister has a responsibility to co-ordinate government policy with regard to the estimates.

My question therefore is based upon cuts in the rape crisis centres, in family planning services and in the Outreach and Aware programs, all of which are under various ministers but deal with cuts in the estimates with regard to women. Has the minister a responsibility to implement government policy in co-ordinating the various requests from the various ministers, and is it the government's policy to cut back specifically services to women as reflected in these estimates?

Mr. Buchanan: The answer to the latter part of the question is no, it is not part of the government's policy. If my memory is correct, I believe the hon. member directed a series of questions on this subject, as have other hon. members, to my colleague the Minister of Justice (Mr. Lalonde). The minister has endeavoured to respond. Whether hon. members are satisfied or not, the minister has endeavoured to respond and explain clearly that this is not government policy and that in fact there are other programs which to a degree fill the gap being created.

● (1640)

Mr. Leggatt: In assessing a particular cut, is it the minister's policy to assess the impact of the cut on another department? For example, in term of the Outreach and Aware programs, a cutback in specific services to women to be placed in employment means the Canada Assistance Plan Act saves a great

deal of money. If a woman on welfare is given specific assistance and placed into employment, there is some savings to the treasury on the other side. In other words, the cut means an expense to another department. Does the minister take that into consideration when he considers the impact of these requests from ministers? Does he consider the cost to the treasury as a result of cuts?

Mr. Buchanan: Yes, Mr. Speaker. Whenever cuts are made, there is an effort to see what the impact will be, whether it will increase, as the hon. member suggested, the costs under the Canada Assistance Plan Act or something of that nature. Generally the policy is to attempt to make some intelligent estimate as to what in fact the impact will be outside.

Mr. Leggatt: You blew it this year.

Mr. Speaker: As I indicated earlier, we will conclude the questioning with the hon. member for Dauphin (Mr. Ritchie).

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, the minister made much of the fact the public debt is only 22.7 per cent of the GNP. Has the minister considered that these figures are not in constant dollars? In fact, a holder of a Canada Savings Bond taken out in 1971 is losing, if it is paid this year, approximately 50 cents on the dollar. In the sale of Canada Savings Bonds, the government will be repaying in dollars with considerably less buying power at the maturity of the bond because of inflation.

Mr. Buchanan: Mr. Speaker, the hon. member is quite correct in pointing out that the debt is not in constant dollars, but neither is the gross national product of which it is expressed as a percentage. It is not being made in terms of constant or real dollars in either case. In both cases current dollars are being used.

Mr. Ritchie: Does the minister not agree that, in the maturing of Canada Savings Bonds and similar type debts, the government pays back very much less in buying power than what it borrowed from the individual in the first place?

Mr. Buchanan: That may well be correct, but the hon. member conveniently overlooks the fact that bond holders receive a substantially higher return. In other words, four or five years ago the return was substantially less. Now the individual receives 9.5 per cent on Canada Savings Bonds, which rate is designed to help offset the impact of inflation.

* * *

PUBLIC WORKS

PROPOSED USE OF LAND AT LONDON, ONTARIO—CORRECTION OF INFORMATION PROVIDED BY MINISTER

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I wish to correct some information which I provided to the House on Friday. In reply to a question by the hon. member for Huron-Middlesex (Mr. McKinley), I indicated that land purchased for the construction of a penitentiary in London had been turned over to the Department of Public Works. That information was inaccurate. The land is still under the control of my own department. I have already advised the hon. member of the erroneous information.

* * *

CANADA HERALDIC COUNCIL ACT

MEASURE TO REGULATE GRANTING AND USE OF ENSIGNS ARMORIAL

Mr. Frank Maine (Wellington) moved for leave to introduce Bill C-461, to establish a Canadian heraldic council.

Some hon. Members: Explain.

Mr. Maine: Mr. Speaker, the purpose of this bill essentially is to patriate the granting of armorial bearings. At present, if anyone in Canada wants a coat of arms, he or she must apply to the United Kingdom authorities. This bill would establish a Canadian heraldic council so that armorial bearings pertaining to Canadian entities can be granted in Canada.

Some hon. Members: Hear, hear!

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

* * *

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

REFERENCE TO STANDING COMMITTEE

On the order: Government Notices of Motions:

February 16, 1979—The Deputy Prime Minister and President of Privy Council:

That the Standing Committee on External Affairs and National Defence be authorized to consider Canada's policy with reference to defence and external affairs.

Mr. Speaker: Pursuant to Standing Order 21(2), this notice of motion is transferred to and order for consideration under Government Orders at the next sitting of the House.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 403, 404, 406, 639, 703, 705, 707, 715, 740 and 785.

Order Paper Questions

[*Text*]

CMHC—SENIOR CITIZENS DWELLINGS—CITY OF LAVAL

Question No. 403—**Mr. Roy (Laval):**

During the past ten years, did CMHC contribute, through the Quebec Housing Corporation, to the financing of senior citizens dwellings in the City of Laval?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): I am advised as follows by Central Mortgage and Housing Corporation:

Housing for Senior Citizens Approved Under The NHA, Through Quebec Housing Corporation City of Laval, P.Q., 1968-77[1]

	Public Housing[2] (Section 43)				Non-Profit Housing[2] (Section 15.1)			
Year	Loans	Units	Hostel Beds	$000	Loans	Units	Hostel Beds	$000
1968	—	—	—	—	—	—	—	—
1969	—	—	—	—	—	—	—	—
1970	1	72	223	2,660	—	—	—	—
1971	1	210	—	2,138	—	—	—	—
1972	—	—	—	—	—	—	—	—
1973	—	—	—	—	—	—	—	—
1974	—	—	—	—	—	—	—	—
1975	—	—	—	—	1	100	—	1,890
1976	—	—	—	—	—	—	—	—
1977	—	—	—	—	1	118	—	2,694

(1) Data are gross.
(2) New Housing.

INSURED LOANS ASSISTANCE PROGRAM—CITY OF LAVAL

Question No. 404—**Mr. Roy (Laval):**

During the past ten years, did CMHC participate in the Insured Loans Assistance Programme, enabling individuals to become home owners in the City of Laval and, if so, in each case, for what amount?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows:

NHA Insured Loans Approved for Home-Ownership[1] City of Laval, P.Q., 1968-77[2]

	Approved Lenders (Section 6)			CMHC (Sections 34.15, 58)		
Year	Loans	Units	$000	Loans	Units	$000
1968	342	422	5,519	182	233	3,054
1969	238	259	3,565	303	321	4,044
1970	265	281	3,684	1,298	1,321	15,839
1971	1,131	1,146	15,576	202	201	2,778
1972	667	678	9,973	24	24	326
1973	633	671	11,262	273	274	4,857
1974	330	361	6,970	206	206	3,876
1975	1,002	1,058	24,297	245	245	6,311
1976	1,063	1,095	31,113	—	—	—
1977	1,263	1,308	38,261	135	135	4,009

(1) New and existing Housing.
(2) Data for 1968-75 are net; data for 1976-77 are gross.

[Mr. Pinard.]

CMHC—SUBSIDIES IN CITY OF LAVAL

Question No. 406—**Mr. Roy (Laval):**

During the past ten years, did CMHC (a) subsidize or participate in the financing of dwellings and residences for senior citizens (b) contribute to sewer systems and aqueduct projects in the City of Laval and, if so, what was the annual breakdown?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows:

(a)

NHA Loans Approved for Senior Citizens' Housing[1] City of Laval, P.Q., 1968-77[2]

	Quebec Housing Corporation Sections 15.1, 43				Other Section 15.1			
Year	Loans	Units	Hostel Beds	$000	Loans	Units	Hostel Beds	$000
1968	—	—	—	—	—	—	—	—
1969	—	—	—	—	—	—	—	—
1970	1	72	223	2,660	—	—	—	—
1971	1	210	—	2,138	—	—	—	—
1972	—	—	—	—	—	—	—	—
1973	—	—	—	—	—	—	—	—
1974	—	—	—	—	—	—	—	—
1975	1	100	—	1,890	—	—	—	—
1976	—	—	—	—	2	273	—	6,936
1977	1	118	—	2,694	—	—	—	—

(1) Data are gross.
(2) New housing.

(b)

NHA Loans Approved for Sewage Treatment and Water Supply Projects City of Laval, P.Q., 1968-77[1]

	Sewage Treatment Projects				Water Supply Projects	
	Loans				Loans	
Year	No.	$000	Forgiveness $000	Grants $000	No.	$000
1968	—	--41[2]	31	—	—	—
1969	—	76[3]	—	—	—	—
1970	—	—	—	—	—	—
1971	—	—	—	—	—	—
1972	2	176	—	—	—	—
1973	—	--66[2]	27	—	—	—
1974	7	1,466	132	—	—	—
1975	—	—	123	—	—	—
1976	4	8,458	1,016	814	—	—
1977	7	1,837	193	—	1	659

(1) Data are net.
(2) Reduction in a loan initially approved in an earlier year.
(3) Increase in a loan initially approved in an earlier year.

AIRBORNE WARNING AND CONTROL SYSTEM—EUROPE

Question No. 639—**Mr. McKinnon:**

1. Did the government agree to participate in an Airborne Warning and Control System in Europe and (a) if so, on what date was the decision taken (b) if not, will a decision be taken and, if so (i) on what date (ii) will Parliament be asked to approve participation?

2. Did Canada participate in the development phase of AWACS for Europe and, if so, in what amount?

3. Has a programme cost for AWACS been agreed upon among NATO Nations and, if so (a) what is it (b) what is Canada's share as a (i) percentage of the total cost (ii) dollar figure?

4. Does DND's capital budget contain provision for Canada's contribution to European AWACS?

5. Will Canadian Armed Forces personnel be involved in the European AWACS programme, such as, flight crews, maintenance crews, training crews, etc?

6. Does the government attach a higher priority to AWACS for use in Europe or in North America?

7. Does the government propose to make any contribution towards either the capital or operating costs of the AWACS which the USA will fly in North America and, if so (a) in what amount (b) will Canada make personnel and/or bases available?

8. Will American AWACS operate on (a) a regular (b) exceptional basis in Canadian airspace?

9. Has the USA been urging Canada to participate in European AWACS as a matter of higher priority than North American AWACS?

Hon. Barney Danson (Minister of National Defence): 1. Yes. (a) Dec. 6, 1978. (b) Not applicable.

2. Canada has contributed to the initial research and development phase for a total of $250,000 over the period 1974 to 1978.

3. Yes.

(a) Acquisition cost—$1,826 M. (1977 U.S.); Annual cost for operation and support—104 M. (1977 U.S.) from 1985 onward.

(b)(i) 9.8 per cent of the acquisition cost; 9.3 per cent of the operation and support cost;

(ii) $180 M. (1977 U.S.)—acquisition cost; $9.5 M. (1977 U.S.)—operation and support costs after 1985.

4. No. However, DND is now examining appropriate arrangements to include funding of program costs in the defence services program.

5. Yes. Canadian military personnel will be involved in the manning of the NATO AEW force headquarters and the airborne component.

6. The question of priority does not arise because the AWACS system in Europe and in North America is considered a military requirement in support of the total deterrent and defence posture of the alliance.

7. (a) and (b) Canada will not contribute to the capital costs. However, discussions are taking place with the U.S. to explore the possibility of some joint arrangements for training and co-manning of some U.S. AWACS aircraft within the NORAD context.

8. (a) and (b) It is envisaged that U.S. AWACS aircraft would operate in Canada on a regular basis during NORAD training and exercises and in times of crisis or hostilities.

9. No. As a NATO-wide system, all members of the alliance have been encouraged to participate in European AWACS.

ORDER OF MILITARY MERIT

Question No. 703—**Mr. Jones:**

1. When was the Order of Military Merit created and why?

2. How are candidates chosen for this Order?

3. Is language qualification taken into account at all?

4. Does the Governor General give routine approval to these names or does he actually make the final decision?

5. Is it true that the list was rejected at first by the Governor General in the spring of 1977 and if so for what reason?

Hon. Barney Danson (Minister of National Defence): 1. The Order of Military Merit was established July 1, 1972 for the purpose of according recognition to Canadians and other persons for military merit.

2. Candidates are chosen by an advisory committee which was established in accordance with the constitution of the order and such names are submitted to the chief of the defence staff (CDS). The CDS in turn recommends to the minister those nominations which in his opinion have the greatest merit. The minister recommends a final list of nominees to the Governor General.

3. No.

4. The Governor General, as Chancellor of the Order, makes appointments to the Order.

5. No.

AIRCRAFT—STARFIGHTER

Question No. 705—**Mr. Jones:**

1. What is the role of the Starfighter in the Canadian Forces? What is the actual intended use of the Starfighter?

2. How old are the Canadian Starfighters? What is the total cost of their upkeep per year?

3. How many Starfighters have crashed in Europe in the last 12 years? How many Canadians were killed or injured in these accidents, if any?

4. How much time is required in maintenance on the Starfighter daily?

5. Does the government intend to replace these, and if so, when and at what cost?

Hon. Barney Danson (Minister of National Defence): 1. The role of the Starfighter in the Canadian Forces is to conduct offensive and defensive air support operations. It is currently deployed in this role and will continue to be so used.

2. The average age is 14 years. The total operation and upkeep cost per year is $79,359,876.

3. Thirty-six Canadian Starfighters have crashed in Europe during the past 12 years. Seventeen Canadians were killed and three were injured in the accidents.

4. 29.3 man-hours per aircraft per day.

5. The CF-104 will be replaced by the new fighter aircraft in the $2.34 billion identified for the purchase of the total fighter aircraft fleet.

MOBILE COMMAND

Question No. 707—**Mr. Jones:**

For the years 1950-1970, which regiment of Mobile Command was the most efficient? Which regiment had the highest re-enlistment rate? Are these or/is this regiment still in existence, and if not why was it or/were they disbanded?

Hon. Barney Danson (Minister of National Defence): The relative efficiency of regiments in mobile command for the years 1950-1970 cannot be established because of the different equipments and roles assigned to the regiments. Even where equipment and roles were similar, efficiency would not be rated in relative terms, but in respect of the ability to be operationally effective in meeting the roles assigned. Records on re-engagements and re-enlistments were not maintained by unit for the period 1950-1970.

SYSTEM OF SURVEILLANCE

Question No. 715—**Mr. Jones:**

1. In the opinion of the Department of National Defence how many persons are required to provide Canada with a proper system of surveillance, including provision of course for time off, etc.?

2. How many persons does the department employ in order to carry out surveillance operations in Canada?

Hon. Barney Danson (Minister of National Defence): 1 and 2. Surveillance is not the exclusive role of any command or element of the Canadian Forces. It is, however, a primary role of both maritime command and air command, the military personnel of which number approximately 9,200 and 22,700 respectively.

ARMED FORCES—PAY INCREASE

Question No. 740—**Mr. Howie:**

On what date is the next scheduled pay increase for members of the Armed Forces?

Hon. Barney Danson (Minister of National Defence): October 1, 1979 for all ranks and classifications except generals, colonels, dental and legal officers. The scheduled date for pay revision of these groups is April 1 annually to correspond with the date of compared groups in the public service.

AIRCRAFT—CF-5

Question No. 785—**Mr. McKinnon:**

How many times on (a) surveillance (b) a trans-Atlantic crossing have CF-5 aircraft had to resort to the use of one engine?

Hon. Barney Danson (Minister of National Defence): CF-5 aircraft have had to resort to the use of one engine on five separate occasions during surveillance-training and trans-Atlantic flights. (a) Surveillance—two; and (b) Trans-Atlantic—three. There have been a few occasions when one engine has malfunctioned then cleared rapidly, enabling the flight to continue to destination.

[*English*]

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

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURE TO CONSERVE STOCKS

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology) moved that Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, be read the second time and referred to the Standing Committee on National Resources and Public Works.

He said: Bill C-42, the energy supplies emergency bill, is a very important one designed to protect Canadians in the event of an energy emergency. In my remarks concerning Bill C-42, I propose to deal with four aspects of the situation: the general background for the need of the bill; the oil situation in Canada; our obligations under the international energy agency emergency oil sharing program; and the particular features of the bill itself.

As to the features of the background, once again we are faced with uncertainties associated with the petroleum supply disruption affecting the non-communist world. The revolution in Iran has created a major supply difficulty. Iran, the second largest OPEC oil producer, has not exported any crude oil since December 26, 1978. Roughly 20 per cent of OPEC production or six million barrels a day of Iranian production has not been available since that date. Some of that shortfall has been made up on a temporary basis by other OPEC producers. In terms of non-communist consumption, the net shortfall is approximately 5 per cent.

● (1650)

Our hope is that political stability in Iran will be restored quickly and that Iranian Oil will once again flow freely to world markets. We cannot be sure when that will occur. There are disturbing signs that it may be many months. Nor do we know for certain what policies other OPEC suppliers will adopt, or what other events may intervene.

If parliament were to be in continuous session there might be an argument to postpone this legislation. But given the fact that a dissolution will occur this year, the government believes it would be wise to secure the necessary authority now to deal with an energy emergency which could arise while parliament had been dissolved. Its introduction should be seen as a precautionary measure to protect Canadian energy security.

Canada is a net importer of oil. Since the 1973-74 crisis we have been able to reduce the dependence of eastern Canada on imported supplies. In 1973-74 Quebec and Atlantic Canada imported close to 800,000 barrels a day. The government took measures to have an oil pipeline built from Sarnia to Montreal. That pipeline has reduced our dependence on imported oil by roughly 300,000 barrels a day. At the present time we are importing about 500,000 barrels a day. About one-fifth of that 500,000 barrels a day had been coming from Iran before the shutdown. Another 200,000 barrels a day came from other Middle East and non-western hemisphere sources. Another 200,000 barrels a day was sourced in Venezuela. Members will be aware of my steps to ensure that, despite the action of the Exxon Corporation and Imperial Oil, this oil will be as secure to Canada as the Venezuelan and Canadian governments want it to be. Altogether our imports of 500,000 barrels a day are equivalent to about 30 per cent of our total oil requirements.

The companies affected have been able to offset their shortfalls temporarily through alternative overseas sources as well as increased production from our own domestic sources. Increased domestic supplies are reaching eastern Canadian refineries through exchange arrangements with companies in the U.S.A. I have asked the National Energy Board to authorize such exchanges to meet demonstrated shortfalls in our imports with a view to assuring oil supply for Canadian consumers and to maintaining our inventories.

We have been in touch with the provincial governments on these matters and everything is being done to ensure maximum utilization of western Canadian crude in eastern provinces which are vulnerable to this import disruption. I am particularly appreciative of the co-operation which the Alberta government and its agencies have extended.

These measures may not be enough. We may have to take further action by imposing demand restraints, and perhaps allocating crude oil and petroleum products. What we seek is to have the necessary legislative authority to take these steps if needed.

I am, therefore, proposing Bill C-42, an act to provide the means to allocate available energy within Canada during periods of supply disruptions caused by shortages or market disturbances outside our control. These measures will be necessary to fulfil our commitment under the agreement of an international energy program, or in any national energy emergency unrelated to the triggering of the international emergency oil sharing system.

As all hon. members know, in the aftermath of the 1973-74 Arab oil embargo and production cutbacks Canada, the U.S.A. and 14 other member countries of the Organization for Economic Co-operation and Development got together to see what could be done to deal collectively with possible future crises. In November, 1974 these countries entered into an agreement on an international energy program. Three other countries subsequently joined, and the membership will soon be increased to 20 since Australia has applied to join.

A central feature of the agreement is an emergency oil sharing system which provides for the equitable distribution of available oil in an emergency. The fair sharing is based on the historical consumption and net imports of each member country. The sharing system is triggered when a formal finding is made that the group of countries has suffered a loss in its oil supply equal to 7 per cent or more of its average consumption. Members will recall that in my opening statement I mentioned that the present shortfall occasioned by the non-made-up portion of Iranian oil production amounts to 5 per cent of oil consumption already. Clearly we are within reach of that 7 per cent figure.

The agreement commits the different member countries to have in place adequate legislative authority to permit the imposition of mandatory control over the use and consumption of oil during an emergency, and to have by 1980 reserves of petroleum equal to 90 days of its net petroleum imports. Canada today more than meets this emergency oil reserve commitment to the international energy agency. This is because we import about 200,000 barrels of oil a day on a net basis. Imports of about 500,000 barrels a day are partly offset by exports of oil and natural gas liquids of nearly 300,000 barrels a day, yet our whole national oil inventory of perhaps 130 million barrels is counted toward our international energy agency commitment.

However, that 130 million barrels is equivalent to only 75 days' supply when measured against our total consumption rate rather than our net imports. We must not, therefore, plan to rely on oil stocks for an indefinite period to meet overseas supply shortfalls. For one thing, they cannot be drawn down to anything like zero days' supply without serious shortages occurring. For another, they are distributed right across our very large country, whereas supply shortfalls are likely to hit us regionally.

We must not be complacent as a result of what may in statistical terms appear to be a strong stock position. Adequate legislative authority is needed to enable us to deal with petroleum emergencies by means of allocation and, if necessary, rationing programs.

Most of you will remember that we had an energy supplies emergency act, Bill C-236, assented to on January 11, 1974, which after a two and a half year life lapsed on June 30, 1976. That bill was created in response to the Arab oil embargo and production cutbacks of late 1973 and early 1974. The present bill is essentially the same as the previous act, with some minor changes to which I shall be drawing hon. members' attention.

First let me outline the principal features of the bill. The bill would create legislation to deal with emergency shortfalls of petroleum and certain alternate fuels such as coal and natural gas. Such shortfalls could occur as a result of disruptions in supply due to shortages or market disturbances affecting the

national security, welfare and economic stability of Canada. The actual causes of such a shortage or disturbance could be natural disasters, technical problems, strikes, embargoes, or any other kind of emergency, including, of course, events far beyond our borders and quite outside the control of the Government of Canada.

The allocation powers provided in the act would be invoked by the governor in council when in his opinion, for reason of shortage or market disturbance, the national security, wealth or economic stability of Canada is affected to the point where in the national interest it is necessary to conserve our supplies of petroleum products.

The legislation authorizes the governor in council to appoint an energy supplies allocation board composed of up to seven members including a chairman. Under the previous act there were five members including a chairman. I would envisage the appointment to the board would reflect the interests of producing and consuming provinces, the consuming public and the petroleum industry.

● (1700)

We are fast approaching the time, Mr. Speaker, when we will be required to adjourn this debate for private members' hour. I am about to enter an important part of my speech which deals with the duties of the board, and because I do not feel that there is enough time to fully explain, I wonder if hon. members would agree to call it five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Moose Jaw (Mr. Neil)—Metric Conversion—Request for delay in implementation by housing industry; the hon. member for Provencher (Mr. Epp)—Canadian Broadcasting Corporation—Television coverage in southeast Manitoba; the hon. member for York-Sunbury (Mr. Howie)—Science and Technology—Guidelines for industrial research.

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Turner): It being five o'clock p.m. the House will now proceed to consideration of private members' motions as listed on today's order paper, namely, notices of motions and public bills. Shall items Nos. 7, 9 and 13 stand by unanimous consent?

Some hon. Members: Agreed.

* * *

URBAN AFFAIRS

ADVISABILITY OF PROVIDING MUNICIPALITIES WITH DIRECT ACCESS TO REVENUE SHARING

Mr. Douglas Roche (Edmonton-Strathcona) moved:

That, in the opinion of this House, the government should consider the advisability of revising Canada's tax system in order to provide municipalities with direct access to revenue sharing so that they can meet increasing responsibilities to the expanding Canadian urban population.

He said: Mr. Speaker, Canadian cities are facing a crisis in financial management which threatens to get worse unless they gain access to an expanded source of revenue. As the number of urban citizens grows and the responsibilities toward these citizens increase, cities have become increasingly dependent on financing from outside, such as grants and borrowing. If the present trend continues, cities will no longer be able to function as self-governed units and decisions affecting urban dwellers will be made by an authority far removed from their local concerns.

Stated simply, cities are overwhelmed with the modern problem of urbanization in Canada which has increased the demand for physical and social services at the community level without an adequate tax base. This crisis has been building up for many decades and has it roots as far back as confederation. When our fathers drafted the constitution for the future dominion of Canada, they could not foresee the shift in population from the rural areas to the cities. In 1871 the urban population was a scant 722,000; in 1977 it was an overwhelming 16 million, 76 per cent of the Canadian population. Before the end of this century, 90 per cent of Canadians will be urbanized. Because such a radical shift was not foreseen, the municipalities were not considered in the division of fiscal powers.

As originally drafted, the BNA Act gave the federal government authority over all forms of taxation, while the provinces were restricted to direct taxation within the province. The provinces were also given authority over municipal institutions. With the enormous expansion of the revenue needs of the provinces, the federal government was forced to share more of its tax revenue and more taxation powers were transferred to the provinces. Municipalities gained the right to raise taxes on property.

Today municipalities find themselves in the same situation which provinces faced earlier; their revenue base is no longer adequate enought to finance the services which they provide. Grants from the federal and provincial governments and borrowing have made the shortfall, but just as the provinces could not function on the basis of additional grants from the federal government, municipalities cannot function primarily on additional grants from federal and provincial governments.

In the final report of the Special Joint Committee of the Senate and the House of Commons on the Constitution in 1972, it was recognized that municipal government "requires a new focus of attention and more effective means of presenting its point of view to the two senior levels of government." The Federation of Canadian Municipalities specifically urged at its annual conference last year that municipalities be assigned certain powers to be scheduled in the constitution, and the resources to give weight to those powers. It said:

> Suggestions for enhancing the status of municipalities under any new constitutional arrangement should be based on the principle that municipalities, in the first instance ought to be assigned those powers which experience has indicated are best exercised at the local level—We call for an urgent re-examination of the roles and responsibilities of our three levels of government, as well as the sources of revenue that go along with them, so that we may reshape our Confederation into one which fits the facts and realities of our present day. We believe, that this nation's strength can be enhanced, not lessened, by a re-assessment and re-assignment of the proper roles of each level of government, including local governments.

It is strange that no mention was made of the role of the municipalities in the report of the Task Force on Canadian Unity. The federal-provincial conferences on the constitution have focused on equitable revenue-sharing between their two levels of government, ignoring the municipal problem. It appears that our modern-day version of the Fathers of Confederation, the first ministers, are repeating the error of a century ago.

The city of Edmonton illustrates the kind of change which has occurred in the urban areas in the past century. Edmonton has become the fourth largest city in Canada. Over the past five years the city has grown 15 per cent. This means that the city has a responsibility to provide services to half a million people—services like the police and fire department, libraries, parks and recreation, transportation, water and sanitation. These services are the most vital ones to city-dwellers, since they are what makes a safe and healthy community. Of all levels of government, the municipal government is the one closest to its citizens in their daily lives.

Besides servicing an expanded population, Edmonton has also had to finance the increased technological complexity of those services. The police force has moved into the computer age, a new era in public transit was started with the light rapid transit system and water quality control requires a more efficient sewage treatment process.

At the beginning of this year, Edmonton was faced with a serious dilemma as it drew up its budget for 1979. The city was not able to take account of the revenue from grants because the level of the grants will not be known until April. In order to maintain the existing level of service and keep up with the growth in population, the property tax rate would have to be increased by about 20 per cent. City council, however, had decided that property taxes would not increase beyond 6 per cent. This means a $10 million shortfall for Edmonton in 1979.

The quality of life in the community—housing, transportation, security—would be affected by any attempt to make up this shortfall. In order to save $1 million, the fire department would have to operate with 77 less men than planned. To save $150,000, 10 outdoor rinks would have to be closed by the parks and recreation department. A cutback of $100,000 in the social services department would mean the loss of an additional $400,000 in provincial grants.

The city cannot afford such cuts. The police department is already battling a rising rate of crime, up 62 per cent in the past ten years. In 1978, there were 16 murders in Edmonton, 37 attempted murders and 73 rapes. The number of rapes alone is so serious that Edmonton women have organized in protest.

In the area of transportation, Edmonton has had to raise bus fares by 10 cents in order to get an additional $3.86 million. Even with this increase the public service will operate with a deficit of $25.5 million this year. Telephone rates have been increased by 5 per cent to gain an additional $3 million, one-tenth of which will be taxed by the province anyway. Edmonton has had to nickel and dime itself in order to gain small increases in revenue which do not begin to meet its needs.

● (1710)

The money shortage has a special effect on one sector of the population—the aged. The proportion of persons over 65 years old is increasing. In Edmonton, the aged will make up 8 per cent of the population in 1986, compared to 6 per cent in 1976. The city will have to bear substantially heavier burdens for social services, health care and housing, since the aged require more of these services than any other age group. In Alberta, people over 65 need twice as much medical treatment.

Not only do the aged have special needs which are met in part by the city, but they are also on a more limited income and therefore less able to pay for what they need. Seventy-six per cent of senior citizens in Canada have an income of less than $5,000. In order to live, these people need subsidized housing, but in Edmonton this housing is limited because of the influx of migrants seeking jobs who take up the cheaper accommodation until they can afford to move. In other words, people looking for jobs across Canada, because of the high rate of unemployment in other parts of the country, flock to Alberta, specifically northern Alberta and Edmonton, and create an added factor in the housing situation. Rents have also increased with the increased demand for housing. Paradoxically, therefore, the economic boom in the west has adversely affected the aged in some respects because they are not full participants in the increased wealth. This "catch 22" situation in Edmonton reveals the modern problem of a city in the midst of a booming economy.

In order to plan for the growing proportion of senior citizens and the services they will need just to maintain their sense of dignity and independence, the Edmonton social planning section has engaged in some long-range programming. In the words of the report:

> Attempts to fill unmet needs, inflation and the expected increase in demand will bring costs to a level substantially greater than would be the case if the present level and types of services were maintained.

Instead of cutbacks, the city of Edmonton needs to ensure that it has the added resources to meet these additional needs.

It cannot do this if it has to rely on a tax base restricted to property taxes. Property taxes are not growth taxes. Local levies grow at a rate of 4 per cent to 5 per cent each year while spending responsibilities grow at a rate of 10 per cent to 12 per cent per year. At the same time, cities have had to cope with a doubling of the inflation rate in the past ten years and a decline in the Canadian dollar to its lowest level in 45 years. The declining Canadian dollar is costing Edmonton an extra $6 to $7 million this year which means that the residential taxpayer is paying $30 a year more than he should be—and getting not a bit of extra service for this amount. Meanwhile, the federal government goes merrily on its own way with an expanding source of revenue; personal income tax revenue has quintupled in the decade of the Prime Minister (Mr. Trudeau).

In order to make up the difference between tax revenues and expenditures on services, municipalities have traditionally relied on federal and provincial grants. The Alberta government announced in January a trebling of provincial support to the urban transportation requirements of its cities. This welcome measure will alleviate some of the stress on Edmonton's budget and allow the city to continue improvements to its public transportation system.

We can now look to the early extension of the light rail transit system to the south side, including the university area and eventually Mill Woods. This excellent provincial support is in contrast to the federal government's slippery evasion of support by narrowly defining interurban transportation to exclude the intraurban Edmonton system. That is a problem we have gone over many times in this House so I shall not dwell on it now.

The federal government's contribution through grants to Edmonton's revenue last year was $6.4 million. All of these grants were conditional, restricting Edmonton in the use to which the funds could be put and financing projects which were often not high on Edmonton's list of priorities but which were politically convenient for the federal government.

With my colleagues from Edmonton I was in a meeting last week with Mayor Purves and the city aldermen and personally examined their protest that the government does not consult with municipalities before starting up short-term employment or social services projects, and yet the municipal governments bear the public complaints when these programs are terminated. This kind of ad hockery does not help the city to plan rationally to meet present and future demands.

The reliance of cities on federal and provincial transfer payments for a substantial part of their revenue—32 per cent in 1974-75—is affecting their ability to govern themselves. The Canadian Federation of Mayors and Municipalities in its study of Canada's system of public finance states:

> Increasing conditional grants from the provinces and Ottawa can only mean derailment for our concept of civic self-government.

Local self-government is important because of its proximity to its citizens. This closeness leads to a greater degree of democratic accountability, but only if municipal governments do not become overly dependent on outside governments.

[Mr. Roche.]

Not only would a more decentralized system of government be attuned to the needs of its citizens, but it would also cost less. Administrative costs per capita for municipal governments are less than one-third the size of federal government administrative costs per capita. It would be hard to argue that local governments would waste tax money, when the federal government has presided over an increase in the federal public service of 44 per cent, despite the Prime Minister's promise to cut the public service by 10 per cent.

When federal and provincial grants do not meet the needs of the municipalities, they resort to borrowing. This borrowing is applied primarily to the construction of vitally important capital facilities such as roads, sewer and water systems and recreational facilities.

The recently announced $1 billion municipal debt reduction program in Alberta will provide Edmonton with $239 million to retire 90 per cent of its debt. The province of Alberta's serious concern over the debt situation in its municipalities is to be commended. The level of the program—$1 billion—and this concern expressed by Alberta are indications of the seriousness of the debt situation which municipalities face across the country. These special grants underscore the real need in municipalities for a systematic allocation of funds.

Of course, the need of municipalities in the other provinces that do not have Alberta's wealth remains as acute as ever. They cannot wait for cash surpluses. They need the revenue now to cancel their debts and they need the revenue in the future to prevent the accumulation of debts. Municipalities cannot continue to operate at a deficit with the hope that the money will eventually come from somewhere if they wait long enough. They need to have control over when that money arrives.

In the longer term, cities will have to obtain a more fixed and predictable form of revenue than property taxes, grants and borrowing. Direct access by the municipalities to revenue would not involve an increase in the level of taxation. Instead it would require a shift from one level of government to another. The Canadian public finance system is capable of raising enough tax revenue to pay for all public services provided by the three levels of government, even in the face of expanded demand. Although there is enough revenue to meet all expenditures, cities have had persistent deficits in their financing, while federal and provincial governments have shown a surplus over 20 years, even taking into consideration the deficits the federal government has run in the past couple of years.

The Canadian Federation of Mayors and Municipalities at the 1973 tri-level conference stated:

> We are firmly convinced that the tax revenues of government in Canada today are more than adequate to support the costs of managing growth. In fact, the existing tax revenues should be adequate to offset the costs of many additional responsibilities, if the methods by which fiscal resources are allocated among the three governments can be rationalized. Primarily, they require substantial re-deployment downwards to the local level of government.

● (1720)

That statement remains valid in 1979.

If this problem were easy to solve, I suppose it would have been solved long ago. Political realism enters the picture. Local governments could be given the power to tax in areas other than property taxes. But tax power given to the municipalities would have to be taken away from the federal or provincial government.

The Acting Speaker (Mr. Ethier): Order, please. I regret to inform the hon. member that his allotted time has expired. However, with the unanimous consent of the House the hon. member may continue. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Roche: Mr. Speaker, I thank my colleagues for their courtesy in allowing me to continue.

The problem is how to decide how much tax power transferred from which level of government, and under what conditions, should now be brought into place. Once the local government gained the power to tax, a decision would have to be made on whether city administrations are capable of handling the collection and dispersal of the taxation revenue. Differences in rates of taxation among cities might lead to shifts in population trends as taxpayers sought to live where they paid lower taxes.

Consideration ought to be given to a more effective means of giving the municipalities a secure source of revenue through revenue sharing. In other words, the municipalities would not be given taxation powers, as with tax sharing, but would be given a fixed percentage of the revenues gathered by federal and provincial governments. Revenue sharing would presumably eliminate the need for grants, and cities could calculate with assurance their expected total revenue.

The route to a proper mechanism could be found by a tri-level task force, which could work out an effective way of implementing either revenue or tax sharing. The representatives of the Federation of Mayors and Municipalities should be present at any federal-provincial meeting, including those on the constitution, not just as guests but as participants. This is the theory behind the tri-level process begun in the early 1970s but now suspended because a few provinces refused to give up their total jurisdiction over municipalities and because Ottawa is afraid to lead the way in a new national urban policy.

I want to see tri-level meetings made regular and systematic as a form of government in Canada, because it is only in such meetings that the voice of local governments can be heard. Let us end forever the idea that local government does not belong at these high level conferences. There is no doubt in my mind that the cities can make a positive contribution to our present day constitutional debate. As has been said through the mayors and municipalities associations:

> We are fully prepared to assist in setting new directions for Canada that will serve the interests of all Canadians—directions that will hopefully lead us to a stronger, more united Canada for the decades ahead.

It is long past time to streamline government in Canada and allow the municipalities to stand on their own feet. The federal government should take the initiative in finding tax room for local government. And the municipalities who so urgently need revenue should be directly involved in negotiations and should, of course, be held politically responsible for any new revenue sources granted.

Mr. Hugh A. Anderson (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I think all of us were rather amazed to listen to the hon. member for Edmonton-Strathcona (Mr. Roche) list a litany of sin and evil which the province of Alberta is guilty of, specifically in reference to the city of Edmonton. It has not provided funds or assisted the city with its police force. Edmonton is a city with a high rate of rape and other crime, and where health care is poor because the provincial government has not provided the funds.

Mr. Alexander: You have deliberately missed the point.

Mr. Roche: Mr. Speaker, I rise on a point of order. While I would not suggest to the House that the hon. member is deliberately misinterpreting my remarks, he is certainly inadvertently misinterpreting specifically what I said with respect to the province of Alberta having given $1 billion—

The Acting Speaker (Mr. Ethier): Order, please. The Parliamentary Secretary to the Minister of Indian Affairs and Northern Development has the floor.

Mr. Anderson: In the event the House misinterprets the hon. member's remarks, I am saying that we are all aware that municipalities are creatures of the provincial government. Do we accept that first point? If we accept that first point then the second point follows as night follows day. If there is a shortage of funds for essential services in the city of Edmonton, then I suggest the hon. member not mislead this House and say that it is the fault of the federal government. I would suggest that the hon. member has brought out a litany of sins against the province of Alberta.

Some hon. Members: Hear, hear!

Mr. Anderson: That is a province that cannot cry poor or say that it does not have the money to assist its municipalities. I have some prepared remarks but I must reiterate that I was amazed to hear the hon. member say that it is the fault of the federal government that we are not getting these sources of funds for the city of Edmonton. That city is surrounded by wealth unknown in other provinces. If it is not able to carry on essential services, whose fault is it? Is it the fault of the federal government, which has no jurisdiction whatosever in municipal affairs? The hon. member is less than honest if he assumes or misleads this House by saying it is the federal government which has financial responsibility for the city of Edmonton.

He knows and we know that it is the government of the province of Alberta that has total responsibility in the taxation field. If the province of Alberta wishes to give taxation responsibility to the city of Edmonton, it does not have to ask the federal government. Elected representatives do not have to ask their colleagues in Ottawa; all they have to do is to pass

legislation in the Edmonton legislature that will give taxation authority to the city of Edmonton and to communities in the province of Alberta which are apparently suffering under a debt load that is unbearable in that province. The hon. member for Edmonton-Strathcona does not say it but he has given one of the most damaging indictments of a provincial government not assisting its municipalities.

Mr. Alexander: Let us have your prepared speech; time is running out.

Mr. Anderson: It is strange indeed that at the present time the province of Alberta is running a provincial election and the first half of the hon. member's speech is an attack on the existing provincial government. Hon. members in this House I am sure would agree that it was a litany of omission, of greed by a provincial government that is not willing to share its resources with its municipalities. But in absolute terms, as usually happens in this august House, after reading off a litany of sins which are under the direct control of Alberta, the hon. member concludes that it is the fault of the federal government. We are the ones that are doing this.

Mr. Alexander: Most things are.

Mr. Anderson: Let it be said in clear and absolute terms that the municipalities are the creatures of the provincial government. We in the federal government could not pass one iota of legislation which would give the municipalities a share of any legislation, provincial or federal, because we do not have that authority.

An hon. Member: You go through the back door. Just like the airports.

Mr. Anderson: Let me say it again. Some hon. members opposite are not aware of how our system operates. The municipalities are creatures of each province.

● (1730)

Mr. Alexander: We all know that.

Mr. Anderson: If the hon. member wishes to get legislation changed in order that municipalities, including the city of Edmonton, can provide better service to the people in their communities, he will have to direct the speech he made to the provincial governments. That is absolutely clear. I am pleased he should have stood up in the House today, during a provincial election, and said that the government in his province is not treating the municipalities fairly in the distribution of tax revenues. That is a damning indictment of the policy of the provincial government in respect to its treatment of the municipalities and it is much more effective when coming from a Conservative member of the House, at a time when there is a Conservative government in power in Alberta. A member of the NDP or of the Liberal party might be accused of being partisan, but the hon. member for Edmonton-Strathcona (Mr. Roche) cannot, surely, be accused of being partisan.

Mr. Roche: Mr. Speaker, I thought we came here to have a serious discussion on a serious subject. The hon. member is playing cheap politics by distorting my remarks. He ought to be ashamed of himself for using such cheap shot tactics.

Some hon. Members: Hear, hear!

Mr. Anderson: Obviously we must have struck home.

Mr. Alexander: No, you did not.

Mr. Anderson: If the hon. member was so serious, if his ideals are so lofty, if his motives are so much better than mine, why did he not put the blame where it lies, in this area of responsibility for the sharing of taxation funds, that is to say, upon the provinces, rather than use the federal government as a whipping boy though he knows the area is one over which it has no jurisdiction? If the hon. member's motives are so pure, why did he not make this clear?

It is the provincial government which is responsible for the situation involving the city of Edmonton which the hon. member so categorically put on record. I may be accused of being partisan but I listened carefully to what the hon. member said. He told us an extreme problem had arisen in Edmonton brought about by the financial policy of that province. The government of that province is Conservative. I listened carefully to what he said because he can certainly not be called partisan being, as he is, aligned with it.

The root of the difficulty basically is that the municipalities are limited to taxing real property. This area of taxation amounts to about 85 per cent of their revenue, the other 15 per cent coming from licensing, business licences and so on. The hon. member recognizes that this tax base is extremely limited. It is not only extremely limited, but this way of raising revenue is extremely unpopular; people in these communities get a real property tax bill once a year for a lump sum and any increases are very disturbing to them. The hon. member might have considered how the federal government could possibly become involved in a tri-partite discussion of this matter when it has no jurisdiction whatever in the field. It is strictly the provinces which have the right to change pertinent legislation if they wish to do so.

If there are to be changes, those changes will have to come from the provinces. May I put it on record that the provinces at the present time derive revenue from the proceeds of personal income tax, corporate income tax, sales tax, succession duty, and returns from government enterprises as well as returns from levies imposed upon natural resources whether by way of royalties or otherwise. In fact they have access to virtually all revenues accruing to the Government of Canada except customs duties. It would be very hard for the hon. member to convince us that the federal government, which is already running into budget deficits, should take the lead in steps to equalize the distribution of money to the municipalities, especially since he comes from the province of Alberta. Day after day we are told the federal government should be more responsible financially yet the hon. member is suggesting it is our responsibility to bring about the equalization of

payments to municipalities and that somehow the provinces are completely out of the picture and can wash their hands of it.

Mr. Alexander: He did not say that at all.

Mr. Anderson: I do not think this is the forum in which this matter should be resolved. After watching the proceedings at federal-provincial conferences I suspect the federal government would be looked upon with a jaundiced eye if we were to attempt to tell the provinces how they should equalize their payments to the municipalities. I suspect they would give the hon. member the same advice as I do, that this is in the hands of the provinces, not in the hands of the federal government.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member for Edmonton-Strathcona (Mr. Roche) I had hoped that in this short hour we would have benefited from a serious discussion of a very important issue instead of such partisan cheap shots as we have just heard. Instead of the hon. member for Comox-Alberni (Mr. Anderson) being the first speaker over there it would have been better had Your Honour recognized the hon. member for Westmount (Mr. Johnston), who is in his place today, because of something he said a few days ago. I notice that the hon. member for Comox-Alberni, having made his cheap political attack, has left the chamber. That is par for the course over there.

Mr. Alexander: For him, anyway.

Mr. Knowles (Winnipeg North Centre): The motion before us, which I support, does not talk about the sharing of funds. It talks about a revision of our taxation system. If hon. members will examine the motion put forward today and the motion which the hon. member for Westmount sought to move under Standing Order 43 on Valentine's Day, February 14, they will find a marked similarity between them.

● (1740)

The hon. member for Westmount made it clear, even though we all know it, that municipalities are creatures of the provinces, and in his motion he wanted the House to call on the provincial governments to invite the Canadian Federation of Mayors and Municipalities to participate in a certain process, but what was the process? It was "the ongoing process of constitutional reform with a view to entrenching powers in the constitution so as to provide municipalities with the powers and revenues necessary to permit them to effectively discharge"—why did the hon. member split that infinitive?—"their responsibilities and to provide the services expected of them by the Canadian public." I think the two members, one a Conservative and one a Liberal, have made a useful contribution to this subject by their motions. The one which was made the other day under Standing Order 43 was not allowed. Somebody said no.

Mr. Alexander: A Liberal.

Mr. Knowles (Winnipeg North Centre): I suppose the motion which is before us today will be talked out, but the issue is not the simple matter which the hon. member for Comox-Alberni talks about, namely, a rich province sharing some funds it has in the bank. The issue is our tax system and the distribution of powers among the three levels of government.

Much was said by the last speaker about the provinces giving things to their municipalities. Provinces cannot give what they do not have. The hon. member for Comox-Alberni may say that the federal government have given away all sorts of taxing rights to the provinces, but the provinces certainly do not see it that way. As I say, I think what we should have had in this hour was a serious discussion along the lines of two very good motions, the one before us now and the one the hon. member for Westmount tried to move on Wednesday, February 14.

I support this motion, and I hope that even yet it might be referred to a committee, or that the subject matter might be referred to a committee. It happens once in a blue moon and—who knows—maybe the moon will be blue tonight.

There is just one other thing I would like to say before I sit down and leave time for others, and that is that one of the reasons we in this party feel very strongly about a revision of the taxation system as it affects municipalities is that we believe in taxation according to ability to pay. Property taxation is not according to ability to pay, and when we force our cities and municipalities to provide so many of the services they have to provide on the basis of that unfair system of taxation, it is just not right, it is just not modern, and it is not humane. It is in the federal field, in the provincial field, and in the field of what we can do under the constitution that we can provide for taxation to be put on the basis of ability to pay. I think we should move in that direction, and I say as I sit down that I welcome the motion which is before us today, as I welcomed the motion my friend across the way tried to move on February 14.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to contribute very briefly to the debate on the motion of the hon. member for Edmonton-Strathcona (Mr. Roche) which concerns a very current issue. I would like to congratulate the hon. member for having raised this subject.

During my political career, I have often been closely involved in municipal affairs. The subject of this motion therefore recalls to my mind my years in municipal affairs, and I have to say that I agree in principle with the motion.

Mr. Speaker, it has become obvious that revenue is insufficient in view of the increasing responsibilities of municipalities. We have been aware of this for a long time. This question has also been discussed for a long time, but no valid solution has ever been proposed. Every municipality in my province must provide essential public services, such as water systems, sewers, fire protection services, recreational activities, road construc-

tion and all kinds of other related services to promote building and residential development.

Rural municipalities face very difficult problems because an increasing number of urban dwellers have been settling down in rural areas, to avoid in many cases, I imagine, the extremely high tax burden brought about by the financing of these sewers and water systems. Mr. Speaker, I am well aware that municipal affairs come under provincial jurisdiction. I have known this for a long time and I hope that this will never change. However, it is time the municipalities had a greater share of the fiscal pie.

Mr. Speaker, statistics show that municipalities sunk so deep into debt that the servicing charges account for some 60 per cent of their budgets. They cannot count on the remaining 40 per cent to expand and improve the services provided their citizens. This is a situation that must be looked into. We all know the enormous costs municipalities have to pay for the design and construction of water and sewer systems, so much so that even with provincial subsidies they must face decades or even a half-century of debt repayment at excessive interest rates. This is why they are at the mercy of higher governments for further financing or additional subsidies. It must be remembered that under the current financing system, where a water and sewer system costs nearly $1 million, ratepayers will have to pay $5 million. So the current burden of municipalities is debt service.

Mr. Speaker, I would like to refer to the situation in Quebec rather than other provinces, because municipalities are under provincial jurisdiction and the laws may vary. I read last week in a Montreal area newspaper that the municipality of Sainte-Lucie, in the Laurentians, was so deep into debt it is incapable of getting out, and ratepayers refuse to pay their property taxes. There is something basically wrong and we must have a very serious look at this to find a solution. I see that my colleague from Hamilton West (Mr. Alexander) wants to contribute, so I will conclude on a suggestion. Earlier the hon. member for Winnipeg North Centre (Mr. Knowles) indicated the mover had no proposal to solve the problem. This may be, but I would like to put forward a suggestion made by the Canadian Association of Municipalities before parliament, before the cabinet, in a self-explanatory brief. In that brief cabinet was urged to amend the Bank of Canada Act so the latter could make long-term loans to provinces so that the latter in turn may extend long-term credit to municipalities, with an interest rate covering service charges only. I am here to represent these municipal governments, and I support their proposals. I would therefore call upon cabinet to consider this serious matter once more, before all our municipalities go bankrupt.

[*English*]

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I was not going to have too much to say—

[Mr. Lambert (Bellechasse).]

Mr. Foster: Mr. Speaker, I rise on a point of order. I think you have recognized three speakers from the opposition side—

Mr. Knowles (Winnipeg North Centre): Order.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Hamilton West (Mr. Alexander).

• (1750)

Mr. Alexander: I just want to be on the record as stating that what I heard from the hon. member for Comox-Alberni (Mr. Anderson) would indicate to me that, notwithstanding the fact that three quarters of the population of this great country of ours in the 1980s will be living in cities which are bigger than many of the provinces, the hon. member for Comox-Alberni thinks that the cities are not important, nor should they be an important participant in the constitutional debate. He indicated to the people of Canada that the cities are unwanted, not needed, are irrelevant. I will not say that he meant that deliberately, because we are not allowed to say that, but perhaps I will say that he was less than honest with regard to the thrust of the motion put forward by the hon. member for Edmonton-Strathcona (Mr. Roche). He made that statement with malice aforethought, and if that is unparliamentary I will have to think about withdrawing it.

What the hon. member was attempting to say is that the needs of the cities are increasing but that their revenues are decreasing, and that it is about time we accepted that as a fact, knowing that in reality our cities are growing into megalopolises of the size of New York. Therefore we must be concerned about their future in terms of the environmental malaise which stems from this growth.

When I talk about environmental malaise I refer to the drunkeness, the broken homes, the family squabbles, the deprivation that children are facing, the frustration of living in big cities, and so on. This is what the hon. member was talking about. He was saying that these problems which come about as a result of the growth of cities need solutions, and one of the solutions he is thinking about is that we should sincerely think about a tripartite approach. In other words, it is time now to say that cities should count. This is the opposite of what the hon. member for Comox-Alberni stated. What he wanted to do was to take advantage of the situation by throwing a few cheap shots.

Mr. Knowles (Winnipeg North Centre): And then running.

Mr. Alexander: And then running, because he knows there is now an election in Alberta. But I am talking about the problems of the cities in general. I become very concerned because now and again we have an election and I remember this government was talking about urban transportation during the 1974 election campaign and it spoke about pouring millions of dollars into the city of Toronto because, as it said, it understood there was a need.

What did they do after they were elected? They forgot all about the promises. I remember their promises in Hamilton where they said, "You need an expanded airport and here are

X millions of dollars with which we will do it." That was in 1971. It is now 1979 and we still do not have that expanded airport. What I am saying is that at times these people recognize there is a need in terms of the urban environment and they spare no expense and no promise in terms of trying to suck the public in, and then they leave them high and dry after they have accomplished their purpose and become elected.

What disturbs me also is the fact that the hon. member for Comox-Alberni said that the federal government has no clout or legislative authority because it is the provinces which have jurisdiction over the cities—the cities are creatures of the provinces. We all know that, but we all know as well that the Minister of Finance (Mr. Chrétien) would think nothing of introducing an incentive plan in order that people can purchase homes, which results in subdivisions being built, which puts a certain amount of stress on the municipal purse. He did not mention that, but that is one way to get in through the back door.

I can also tell you the same thing with respect to airports. They can build a Mirabel or a Pickering which will upset the environment in any municipality, and at times they will do that without any consultation until they are caught, at which time they will admit that they did move a little too early and that they should have consulted. So, Mr. Speaker, do not let the hon. member for Comox-Alberni con you, as I would say back in the city of Hamilton.

A few years ago—I think the hon. member for Davenport (Mr. Caccia) was with me on the joint Senate and House of Commons Committee on the Constitution, although I am not sure—I realized what an important part of our Canadian way of life were our growing cities. I was impressed with the problems I encountered. This goes back a few years. At that time we made recommendations in terms of the constitution and what it should contain regarding cities. I found out, just as did the hon. member for Edmonton-Strathcona, that the Task Force on National Unity had nothing to say about the growth of our cities. I am surprised about that. I received our tax bill this week. I went home feeling so happy on Friday when my wife said that the first two instalments are in. But then I became unhappy. The point is, sir, that even with Bill C-60, the bill on the constitution, we have not yet heard a word about the problems which the hon. member for Edmonton-Strathcona brought forward.

We must now direct our attention to the problems of the cities, and the only way we can do this is to convince the provinces. I know they are very jealous about their rights. They say, "You cannot go over us, under us, or through us, without consultation," but what is missing, I think, is the leadership which must come from the federal government.

I notice the good doctor, the hon. member for Algoma (Mr. Foster), wants to speak this evening. I do not know whether or not I will give him an opportunity to speak. What the hon. member for Edmonton-Strathcona is asking for is leadership by this government in bringing the parties together to see how we can solve this serious situation. We do not want to get into a partisan debate in the manner of the hon. member for Comox-Alberni who thought that, as parliamentary secretary, this would be a marvellous chance for him to attack a member from Alberta, which he did. I was ashamed, because I have respect for that member. At times he does his job, but this time we on this side were a little disgusted to see that a parliamentary secretary would jump up in such an eager way, having forgotten that one of his leading lights, the hon. member for Westmount (Mr. Johnston), spoke only recently on October 16, I think, putting the problems of the cities before the House of Commons and his own party—

Mr. Knowles (Winnipeg North Centre): No, February 14.

Mr. Alexander: Yes, February 14, Valentine's Day, the day of love, understanding and compassion. The hon. member for Westmount brought in that motion, and do you know who said no, Mr. Speaker? The Liberals, as usual, said no. I suppose that is becoming a little partisan, but the fact of the matter is that the hon. member for Edmonton-Strathcona as well had the same idea in mind and his motion has come to the front. What do you find? You find a Liberal member who represents a thriving province who should know the problems, of, say, the city of Vancouver and of other big cities. These are problems beyond our immediate comprehension.

All we are trying to do at this time is to emphasize, re-emphasize, delineate and underscore the need that we as members of parliament must be ever aware of, the needs of our growing cities. You cannot call them, as did the hon. member, and I will paraphrase him, unwanted second cousins. That is what he attempted to do. You cannot imply, as did the hon. member, that they are not needed in the constitutional debate, that they should not be there. That is the height of irresponsibility.

I share the views and the initiative taken not only by the hon. member for Edmonton-Strathcona, for whom I have a great deal of respect. Also I have a great deal of respect for the hon. member for Westmount and for my good friend, the House leader of the NDP, who also seems to have the ability to put his finger on the problems. The hon. member for Bellechasse (Mr. Lambert) indicated that he had more to say but that he wanted to hear the comments of the hon. member for Hamilton West who comes from a big city, faced with problems.

● (1800)

The government is thinking about introducing a centre for occupational health and safety. It is another big mess. The government is talking about establishing the office in Ottawa which, in my view, is the last place it should be. We have the expertise—

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Edmonton-Strathcona (Mr. Roche) rises on a point of order.

Mr. Roche: Mr. Speaker, I want to thank the representatives of the New Democratic Party and the Social Credit party for the responsible support they gave this motion.

Some hon. Members: Order, order.

The Acting Speaker (Mr. Ethier): Order, please. The hour appointed for private members' business having expired, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURE TO CONSERVE STOCKS

The House resumed consideration of the motion of Mr. Gillespie that Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, before the supper hour I dealt with the introductory part of my remarks, but perhaps just briefly to recap I should say that I dealt with the instability of the Iranian situation. I dealt with the fact that Iran, as the second largest OPEC producer, produced in the order of six million barrels a day, and that production has not been available to OPEC consumers since late December. Even though other OPEC producers have tried to make up part of that, they have not been able to make it all up; indeed, perhaps only about half of it.

● (2010)

The result of that in terms of world consumption is that there has been a drop in equivalent oil production of 5 per cent. That 5 per cent is not very far off the trigger mechanism of the International Energy Agency which prescribes the 7 per cent figure. In the event that the consumption by IEA members is forced back to a 7 per cent lower level compared to a year ago, then the trigger mechanism would be activated, which would involve an allocation system throughout the IEA nations.

I also said that Canada is a net importer and that we are dependent on imports of oil. We have been able to reduce our dependence in a number of ways, partly through the extension of the pipeline from Sarnia to Montreal which has reduced our dependence by 300,000 barrels a day, from 800,000 barrels a day down to 500,000 barrels a day. That 500,000 barrels a day figure, however, is still a significant dependency by eastern Canada and part of Quebec.

I commented on the fact that Petro-Canada has been very active in seeking additional sources of supply through arrangements with the Mexican national company and, as members know, Petro-Canada has been active in a number of other ways to ensure that Canada's dependence on foreign oil can be reduced. I refer to the activities of Petro-Canada during the past year, its acquisition of Pacific Petroleums Ltd., and the emphasis it has given to the heavy oils. There has also been a very substantial initiative by Husky in the development of heavy oil since it was taken over by the Alberta Gas Trunk Line. This ownership, this repatriation to Canada, would never have taken place had it not been for Petro-Canada.

I referred to the reason that we should act now, given the fact that the world oil situation is in an unpredictable situation and that one cannot be sure whether the Iranians will be able to repair production. Nor can one be sure of how other OPEC nations may react to the current crisis or what other events may intervene.

As the adjournment occurred, Mr. Speaker, I was introducing some of the powers of the new board. I was pointing out under the legislation before us that the allocation of powers which we are seeking would be invoked by the governor in council when, in his opinion, by reason of shortages or market disturbances, the national security, welfare, or the economic stability of Canada is affected to the point where in the national interest it is necessary to conserve our supplies of petroleum products.

I would like to deal briefly now with some of the duties of the board. In the event of an emergency being declared by the governor in council, it will be the board's job to implement a mandatory allocation program to assure sufficient supplies of oil products and their equitable distribution. This is provided in part I of the bill. This activity would include, among other things, designating the regions of Canada in which the program is to be implemented—if the whole country is not to be involved—specifying the petroleum products that are to be controlled, providing for systematic allocation of the controlled products on a priority basis, and setting up an appeal system to hear possible complaints.

Under the planning which has already been done, three degrees of priority are recognized. The first priority is category critical which deals, for example, with health services, security, and food products. The second priority is essential, which has to do with the manufacturing industry and employment. The final category is non-essential as, for example, leisure activities.

With respect to prices, this House will, of course, recognize that price control is a necessary concomitant of any allocation scheme. The board will therefore also be empowered to make regulations prescribing the price at which, or a range of prices within which, any controlled product may be sold. This author-

ity, like all other regulations made by the board, will require the approval of the governor in council.

Part II of the bill relates to the rationing of controlled products. This part will be activated when the governor in council instructs the board to extend the mandatory allocation program if it appears that the supplies of a controlled product are, or are likely to be, so short as to cause the mandatory allocation plan to fail. A rationing program for motor gasoline has already been developed under the previous act and can be implemented within a lead time ranging from three months to six months.

One change we have made in the bill from the former Energy Supplies Emergency Act relates to this rationing program. This envisages the use of chartered banks, which have agreed to assist in the administration of the program by handling coupons and coupon accounts. The banks are enabled to take part in the scheme, despite any provisions in the Bank Act that may have prevented them from doing so. The post offices will be used for the primary distribution of coupons to the public.

Mr. Paproski: We will never get them.

Mr. Gillespie: The emphasis in any allocation program will be on practicality and simplicity in implementation. The Emergency Supplies Allocation Board will therefore have to seek the advice of oil companies. This may involve the companies in collective discussion of such advice to the board and in co-operative action. With this in view, special provision is made in the bill in case the companies are required—and I must emphasize the term "required"—to enter into agreements, arrangements or courses of action which might involve contravention of the Combines Investigation Act. The board may in those circumstances, by order, and only after consultation with the Minister of Consumer and Corporate Affairs, exempt an applicant and such other persons as it deems necessary from the provisions of the Combines Investigation Act, but only to the extent required to enable the applicant to comply with the allocation program.

The legislation empowers the board, in order to make better use of the available supplies of a controlled product, to make special regulations providing for a temporary relaxation of certain laws that currently restrict the emission of sulphur pollutants into the atmosphere. However, this would be done upon the issue of a short-term permit and only after consultation with the responsible ministers of the federal and provincial governments, for example, the departments of environment and health and welfare.

There are also provisions in the bill to enable the National Energy Board and the Canadian Transport Commission to co-operate with ESAB which will be co-ordinating programs in order to ensure that the petroleum products may be moved as directed by the board in order to relieve anticipated shortages.

Finally, this law will require the compulsory termination of a mandatory allocation program after 12 months, unless such a program is extended by the order of the governor in council with the approval of parliament. However, no such order may extend the mandatory allocation program for longer than 12 months at a time. The bill requires that a motion to adopt an extension order be tabled in each House of Parliament within seven days after it has been made. If the House of Commons negatives the motion the allocation program shall thereupon terminate. We believe this is a better solution than the one that was worked out and included in the previous bill involving a sunset clause in which the whole legislation self-destructed in mid-1976.

● (2020)

I should like to say a word or two about federal-provincial industrial consultation which is a very important area. Allocation and rationing plans have been developed since 1974 by the original Energy Supplies Allocation Board and, since its demise, by officials of my department. These plans would form the basis of programs to be implemented by a recreated ESAB. They have been evolved as a result of extensive consultation with provincial governments, the petroleum industry and representatives of petroleum-consuming interests. I would expect this process of consultation to be continued by a new board. As I already indicated, membership of the board itself would reflect provincial, private consumer, and industrial interests. I am aware that allocation programs can only work effectively with broad public support. The board will, through consultation, seek such support and provincial co-operation.

Canada's energy needs are large in order to support our high standard of living, to deal with a cold climate, and to provide the transportation links across our broad land.

Canada's energy potential is great, and this government has worked long and hard to realize that potential. Let me give a few examples of this. The oil sands development is being encouraged by the payment of international prices for this product; by appropriate fiscal terms; and by direct participation in the Syncrude project where the federal government has a significant equity holding. Other important initiatives of the government include oil and gas exploration fostered by our pricing policies and by tax reliefs which specially assist pioneer efforts in frontier areas such as the Beaufort Sea.

The Canada-United States gas pipeline treaty opens the way for pipeline access to already discovered reserves in the McKenzie Delta. Petro-Canada, the bête noire of the Leader of the Opposition (Mr. Clark), the major policy instrument in Canadian participation and government participation in industry, has become in three short years a major force in our petroleum industry, providing a stimilus to exploration, and participating in schemes for the expansion of eastern Canadian gas markets. I am referring to the gas pipeline which would move natural gas all the way to the maritimes, the bold plan to bring Arctic Islands gas to eastern Canada, liquefied natural gas from the high Arctic, using the Canadian system, and working to develop the heavy oils of western Canada.

The attitude of the Leader of the Opposition with respect to Petro-Canada was recycled last Friday, I believe, in Vancouver, when he said once again that he would dismantle Petro-Canada.

Some hon. Members: Hear, hear!

Some hon. Members: Shame!

Mr. Gillespie: Hon. members opposite applaud the notion that Petro-Canada should be dismantled.

Mr. Hnatyshyn: Because you are making such a mess of it.

Mr. Gillespie: Some hon. members on the other side come from Atlantic Canada. Hon. members must know that if it were not for Petro-Canada there would have been no oil and gas exploration on the offshore Nova Scotia shelf in the last year.

Hon. members should know that as a result of Petro-Canada's initiatives it will be participating in the exploration and development of the coast off Labrador. Hon. members should know that Petro-Canada is stepping in because the French consortium, the EastCan group, is not prepared to go ahead. Petro-Canada is, because it is in the national interest, and because it believes there is a very good opportunity of discovering significant findings of oil and gas.

An hon. Member: Where?

Mr. Hnatyshyn: Is Petro-Canada going to take over all the oil in Canada?

Mr. Gillespie: The Leader of the Opposition said weakly in Vancouver, when he was asked about Petro-Canada, that he would use the Canadian Commercial Corporation to buy oil and natural gas. That has to be as limp and lame an approach to our national energy problem as anything he has put forward. One could ask if he might use the Canadian Commercial Corporation as well when, let us say, the Chairman of mainland China said, "I want to deal with a Canadian national oil company. I want to deal with Petro-Canada. I want Petro-Canada to come to China and help us explore, and I would like you to bring some Canadian companies as well." Has the opposition explained how that would be done? I presume they would probably turn it over to Exxon because that has been their posture up to now.

The Leader of the Opposition might also be asked how he would replace Petro-Canada in a deal with the Norwegian state oil company which wants to deal with the national oil company of Canada. It is considering it, along with a number of very interesting proposals, including drilling in offshore waters such as the Arctic waters north of 60. I suppose the opposition, in a situation like that, would turn that over to one of the internationals as well.

When the government of Venezuela says it wants to deal with the national oil companies of other countries, and says it wants to deal with the national oil company of Canada, it must wonder about the leader of an opposition that hopes to be the government, who says he would destroy the national oil company. In effect, he is saying to Venezuela, "We do not want to deal with you."

[Mr. Gillespie.]

Mr. Deputy Speaker: Order, please. Is the hon. member rising for the purpose of asking a question?

Mr. Broadbent: On a point of order, Mr. Speaker, the minister has convinced me of the virtues of Petro-Canada. I noticed the members behind him are cheering a lot, and I wonder if he would inform the House under what circumstances Petro-Canada was created.

Mr. Deputy Speaker: The question can only be asked with the consent of the minister. The hon. member took the floor without permission of the Chair. I think it is for the minister to decide whether he wants to answer the question.

Mr. Gillespie: Mr. Speaker, I would be pleased to answer any questions at the end of my remarks. Let it be quite clear that the Government of Canada, the Liberal government, in 1974 introduced the legislation which created Petro-Canada. It received support from the New Democratic Party but absolutely no support from the Tory opposition. Ever since then the Conservative party has been out to stick a knife in the back—to stab Petro-Canada. They would dismantle and destroy one of the most important policy instruments for energy in this country.

Mr. McKenzie: Call the election.

Mr. Gillespie: Hon. members opposite you should quieten some of their friends.

Mr. McKenzie: Call the election.

Mr. Gillespie: Mr. Speaker, with your assistance, I should like to carry on with my remarks.

Mr. Deputy Speaker: Order, please. I am not sure that the use of the word by the hon. member that I just heard is parliamentary. I think the hon. member for Winnipeg South Centre (Mr. McKenzie) should be very careful, and at the same time should allow the minister to make his speech.

• (2030)

An hon. Member: Tell us a little about Bill C-42.

Mr. Gillespie: I recognize the sensitivity of some members opposite. I understand why they are embarrassed and why they are having difficulty with the decision of their leader.

Some hon. Members: Oh, oh!

Mr. Gillespie: It is fairly obvious from those making a noise on the other side, and from those who are not, that there is a problem on the other side.

There are a number of important measures which this government has taken to reduce our dependence on foreign oil. I would like to refer to the measures that we have taken to stimulate electric power development with the government in Newfoundland. We have created a very important corporation named the Lower Churchill Development Corporation. This is a corporation which can bring in a massive supply of power

from the Lower Churchill development. It is power which is now going to waste. But, as a result of the joint effort of the two governments and the creation of the Lower Churchill Development Corporation, there is a chance that that power will be developed for the use of Labrador and Newfoundland, perhaps also for the use of the province of Quebec and the maritimes. This will be a very important project in the order of some billions of dollars which will provide several thousand megawatts of power.

Today I tabled in the House a memorandum of understanding which was reached through negotiations with three provincial premiers. This is also a very forward looking concept. This establishment of a maritime energy corporation will draw together the three maritime provinces in electrical energy planning with respect to transmission and generation for the first time. This system will operate with a centralized computer so that a least cost power system will be available for the maritimes. This corporation will be big enough to finance new projects in the maritimes, projects which will be too big for any one province to finance, construct, or manage by itself.

We have not neglected the important demand side of the energy equation. The government has taken a host of measures directed at increased conservation and a greater use of renewable energy to reduce requirements of conventional fuels. Hon. members opposite may wish to forget it, but members on this side remember only too well the announcement last July 4 of measures involving $380 million over five years aimed at developing renewable energy, using our forest energy and using solar technology. Those are all important measures from the point of view of reducing our dependence on foreign oil. All these measures have helped reduce our current and prospective dependence on imported energy, specifically foreign oil. But some oil import dependence will remain for the foreseeable future.

As the House knows, I am working hard to ensure that a major part of our oil imports is derived from secure sources and secure commercial arrangements, another area in which Petro-Canada has already started to play an active role. A degree of insecurity is, nevertheless, inevitably associated with our remaining dependence upon imported oil. This is primarily the problem this legislation addresses.

I referred earlier to the political developments in Iran and the cessation of oil exports from that country. This incident has brought home once again the fact that an interruption in the supply of offshore oil can occur with very little warning. If the current disruption continues for several more months, the total shortage of supply could cause the activation of the emergency oil sharing plan by the International Energy Agency. By participating in this agreement we are committed to being ready at all times with a program of contingent oil demand restraint measures enabling us to reduce our rate of consumption. Some international agency member countries have already publicly announced measures to deal with the oil supply disruptions to their countries. As far as we are concerned, we have the necessary plans in place. What is urgently required now is legislative authority to move quickly, if we have to, to implement our allocation and rationing plans.

If it became necessary to declare an emergency, crude oil allocation could be implemented in seven days. The petroleum product allocation program would take 60 days to implement, and the motor gasoline rationing program would require a lead time of up to six months.

What is needed now is legislation in place to enable the government to implement these programs without delay should we face a serious shortage of supply. It is on this basis that I commend to the House Bill C-42, the Energy Supplies Emergency Act, 1979.

Some hon. Members: Hear, hear!

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, we have just heard from the minister how all is serene, calm, and light on the horizon. He has informed us that as a result of his own particular genius and never ending overtime efforts, all is well. The minister, I must say, reminds me of that old depression days cartoon where one bum says to the other bum, "If you're so smart, why ain't we rich?" If the minister is so smart and so much has been done by this government, why are we in this energy mess and why do we have this bill before us?

Some hon. Members: Hear, hear!

Mr. Lawrence: It is as simple as that. The minister has gone through a long recital of facts, as he calls them. They may have been mainly argumentative. I would like to give my version of the chronology of what has been going on. It may be as distorted as the minister's, but I will try to wipe out the type of political argument for which the minister is getting such a reputation. I would like to make what I hope will be a fair, impartial, and completely non-political presentation of the facts.

As a result of the first OPEC crisis in 1973 this government introduced a bill which was almost identical to the one before us tonight. The 1974 bill, however, lacked, in our view, some needed guarantees that parliament be consulted. That bill in its original form was quite open-ended in that it gave the government authority to move unilaterally into certain fields which we and others considered to be clearly provincial jurisdictions. The Progressive Conservative demand in those days for a sunset provision in the bill or a self-destruct mechanism for its operation was eventually and reluctantly agreed to by the government, but not our request that parliament have the opportunity to express itself either before, during or after the decision was taken by the government to implement the procedures in that old bill. Our reason for asking that the sunset provision be inserted was to make sure that the bill would eventually die and that the government would then be forced, on the death of that bill, to re-examine the whole situation completely.

As a result of the 1974 crisis as well, Canada, along with what subsequently turned out to be 18 other nations, under the

sponsorship of the OECD entered into an agreement which, in effect, required Canada to assist the other signatory nations of the western world, as they would assist us, to make up any short form of crude oil supply that might occur. Essentially, that 1974 agreement called for the triggering of a procedure to reallocate world petroleum supplies outside of Iron Curtain countries when a shortage of at least 7 per cent of world supplies was encountered over all. A complicated formula of reallocation was designed to see that the shortfall to any nation was shared by all the others.

● (2040)

It is important to recognize that the situation which triggered the implementation of that treaty was one involving the sharing of the effect of the shortfall in the total consumption of petroleum products by the signatory countries. This is important. It required a shortfall of not just imported crude oil or petroleum products but a shortage in the total consumption of all petroleum products in the signatory countries. To focus on the Canadian situation, the Canadian allocation of foreign crude was based on Canada's total consumption of oil resources, domestic and foreign, not just a shortage of imports.

The government knew of these arrangements. It had signed the treaty and it understood the procedures. In fact it was a member of the executive committee. The 1974 supply crisis passed into a price crisis. Happily, there had been no need to invoke the provisions of the bill or of the treaty. The act itself died on January 30, 1976, as a result of the sunset provision we insisted the government should put in place.

Did the government consider the over-all picture? That act had died. There was the treaty of 1974. The minister told us tonight that those measures in the bill before us, and I am using his actual words, now, would be necessary for us to fulfil our commitment under the international energy program. That is the treaty I am talking about. In other words, there was the 1974 treaty to which all countries outside the communist world believed Canada had committed herself in a meaningful way. The bill which was to implement the terms of that treaty died in 1976, intentionally as far as the opposition was concerned, because we wanted to force the government into reconsidering the whole picture. What happened? The same as what had been happening in many of these economic and resource fields under the present minister. Nothing happened. He either considered the whole picture and decided that no emergency allocation bill was necessary, or he did not consider it at all.

In either event I believe the government is to be very severely criticized. Did the government replace the bill? No. Was anything done to expand the pipeline capacity of this country so that crude oil could be moved into these regional areas where, obviously, there is likely to be a disparity one day? No. Did the government take any other steps to improve the regional supply position? The answer is obviously no. Did the government do anything at all to resolve the essential ingredient in this issue?

[Mr. Lawrence.]

We needed an improved delivery system for petroleum products so that Canadian resources and supply facilities could fulfil the demands upon them and reduce the effects of control by a foreign-owned industry. What we got was a half-hearted response, mainly from the minister's predecessor. The pipeline was extended to Montreal. But the bottleneck on the western side of Sarnia existed then and still exists today, so that the Montreal refineries continue to require offshore crude oil. This is the difficulty which the minister has not attempted to tackle.

No one is to blame for the bottleneck except the minister. He takes full credit for the setting up of Petro-Can though I think we shall hear argument about that later, and in any case I would point out that Petro-Can is an expensive agency; it is staffed by empire builders rather than resource finders. Between 1976, when the legislation expired, and early 1979 when a new crisis emerged to threaten Canada and the western world, instead of a decent, meaningful policy we were offered lethargy, complacency, and inaction.

To get back to the chronology. In December, 1978, the situation in Iran seriously deteriorated. On December 26, 1978, 20 per cent of Canada's offshore oil supply was stopped. British Petroleum, a state-owned trading corporation, PetroFina, partly owned by a foreign state, Gulf Canada and other companies in eastern Canada were obviously in trouble, along with other companies, because, to varying percentages, they relied on Iranian or OPEC oil. A large percentage of the crude oil used by those refineries came from Iran. But, in the minister's mind, not Imperial. Why? Because Imperial received through Exxon about 100 per cent of the crude oil used in its eastern refineries from Venezuela. Golden Eagle also buys from Venezuela, and Shell, too, uses Venezuelan oil.

Early in January, Exxon informed Imperial Oil that it was invoking the *force majeure* clause in its supply contracts, and diversions would have to be made on the pattern of the international energy agency's formula. This is the formula which, as I indicated earlier, was important because of the scope and proportion involved, namely, that the cutbacks to Imperial from Exxon would be on the basis of Imperial's total oil consumption and not just on the basis of its imports.

● (2050)

Industry people and government people tell me that there was no question at all, on reading the communications received from Exxon by Imperial, and transmitted in turn by Imperial to this government and to this minister, that this meant that we were in for some fairly serious times as a result of the cutback to Imperial, one of the major forces in the Canadian energy picture. We were in for some very serious times because these cutbacks from Exxon on Venezuelan crude were going to be serious. There was no question whatsoever. Golden Eagle, which is also supplied by Exxon, was also informed of cutbacks. This was in early January.

Immediately—obviously—Imperial moved to find an alternative supply in order to begin to replace the cutbacks imposed by its foreign parent, Exxon. On January 8 of this year, specifically to forewarn this minister, this government, and this

government's regulatory body, Imperial Oil Limited informed the National Energy Board and this minister's senior allocation officials of what was going on, why it was going on, and what Imperial intended to do to make up for those diversions. The minister now says that he himself was not informed of these diversions. Under the rules of this House we have to take the minister's word, and I do, but it seems awfully strange to me that the minister can now claim to us that on the basis of many telexes, wires, telegrams and communications flowing back and forth from the National Energy Board to the industry, from the industry to the National Energy Board, and from the minister's department to the industry about these cutbacks—the minister is shaking his head.

I have one right here. I can read to him parts of the telex, for instance, from Mr. Priddle of his department early in January informing the industry of the dangers of the Iranian situation and that the department wanted to be brought up to date on what alternative sources of supply were available. I could read the telex from the National Energy Board dated January 14 urging industry people to come forward quickly with a long series of swap arrangements which were obviously going to have to be made to make up for these cutbacks.

I could read these communications. They are available.

Mr. Gillespie: Go ahead.

Mr. Lawrence: Here is one from Mr. Priddle of the Department of Energy, Mines and Resources:

> January 4th telex from Paris indicates Iranian production fell in November to 3.1 million barrels per day and in December to 2.5 million barrels per day.
>
> This production shortfall has been compensated for by other producing countries and delaying of stockbuilds by industry.

Further on he talks about other dangers with regard to Persian Gulf producers. Then later he says:

> —complete loss of Iranian production in the first quarter would result in a shortage close to 7 per cent of first quarter demand.
>
> If and when such a point is reached, participating countries may need to reduce demand or use emergency stocks.

Mr. Gillespie: If you read from a document, you have to table it.

Mr. Hnatyshyn: Just ministers, Alastair.

Mr. Lawrence: I have another fairly long one. I will not take up more of the time of the House, but it is signed by Mr. R. Priddle, of the Department of Energy, Mines and Resources. It is a warning to the industry of what was going on and what would have to happen as a result of the Iranian cutback. This is a serious situation. As I say, Exxon had already informed Imperial of this cutback.

I think it is inconceivable that the minister was not kept up to date by his officials, and I say in all frankness and bluntness that I believe the minister was informed by his departmental officials and by the agencies he frequently directed with regard to policy matters at that very time about the necessity of quickly approving swap arrangements. However, he says in this House that he was not informed, and if he says in this House that he was not informed, we have to accept that, and I do, but I say that it seems very strange to me.

Mr. Gillespie: Mr. Speaker, I rise on a question of privilege. The hon. member cannot have it both ways. He cannot, on the one hand, say he accepts my word, and then go on in a very devious way to suggest that he does not. He ought to be honest with the House, with me, and with himself. He ought to make it quite clear that he accepts the position which I put forward. He should avoid trying to confuse the situation, which he has done. I am asking him—

Mr. Paproski: Mr. Speaker, on a point of order—

Mr. Blais: The minister is speaking about a question of privilege. Sit down.

Mr. Deputy Speaker: Order, please. I do not think a point of order has priority over a question of privilege. I am trying to listen to the minister. There are too many people who think they should be in my place.

I must say that I do not agree with the point made by the minister. I want to say to the minister that the rules of the House forbid a member from accusing another member of lying, of being a liar, or bringing falsehoods to the House. On the other hand, a member is not forced to agree with another member. There are words, however, which cannot be used in the House.

Mr. Paproski: Mr. Speaker, I rise on a point of order. When Your Honour rises, the microphone lights in front of hon. members should, in deference, go off, but not until Your Honour is up out of the chair. Only then should those microphone lights go off. However, I noticed today that the microphone light in front of the hon. member for Northumberland-Durham (Mr. Lawrence) went off before Your Honour rose. His light went off, yet the minister's light went on. I find that very hard to understand, and I wish that those who operate the switches would please take notice.

Mr. Deputy Speaker: I am prepared to look into the matter. The point raised by the hon. member for Edmonton Centre (Mr. Paproski) is surely valid. I do not generally watch to see whether lights are on. I cannot do that easily, but I am sure the message has been heard by those responsible for the operation of the console. I am sure they do their best in any event.

Mr. Lawrence: Thank you, Mr. Speaker. I appreciate the fair and impartial manner in which you have always conducted the proceedings of this House.

Some hon. Members: Hear, hear!

Mr. Lawrence: On January 8 of this year, especially for the purpose of forewarning the government, this minister and the minister's regulatory body, Imperial Oil Limited informed the National Energy Board and the minister's senior allocation official of just what it was that it was doing, and why replacement stocks were needed to take the place of the crude

oil which was being diverted. As I say, the minister may now say that he was not informed of those representations to the government. In any event, something happened on approximately that date to wake the minister from the lethargic state in which he had been. He realizes suddenly that alternative sources of crude oil are needed in this country. Why? Because he hot-tails it down to Mexico.

● (2100)

Some hon. Members: Oh, oh!

Mr. Lawrence: He is informed by the Mexican authorities that crude oil will not be available in any appreciable quantities, enough in any event to get over the shortage which, it turns out later, he was informed we were not going to reach until at least 1981. That certainly is no help in the short term. So then what does the minister do? The minister goes to Venezuela and the Venezuelans guarantee to the minister that they will continue to ship what they have been shipping, and to the group to which they have been shipping, namely, Exxon Incorporated of New York.

In February the minister comes into the House and tells us that when the Venezuelans first told him they were shipping to Imperial Oil in Canada only through Exxon, it was the first time he realized that the Venezuelan crude supply to Imperial was being handled through a middleman. That is what he said in the House. He shakes his head now, but on page 3301 of *Hansard* of February 16, the minister said that the Venezuelans:

—pointed out to me that the contractual relationship was with Exxon International—

If they did not have to point it out to the minister, if he knew ahead of time, why did he use that type of language in the House? The assumption that we can draw very fairly from the minister's words are that that was the first time the minister knew. I agree that, to me also, it is inconceivable that that was the first time the minister knew. He should have known long before, but in any event, there we are.

I believe that on that occasion all of a sudden a light lit up in the minister's brain. Suddenly, that rang some sort of bell because, at that point, the minister had a faint memory of the notice he had already received from Imperial Oil of the cut back and the diversion in the Exxon supply. So the minister then turns to the Venezuelans, "How can Canada guarantee our Venezuelan supply when there is a middleman?" "Easy," shrug the Venezuelans, "cut out the middle man." The minister then comes back and propounds this as some modern, novel, unique policy of his for the first time.

Who has been the Minister of Energy, Mines and Resources all of this time? The minister comes back from Venezuela and, in a blinding vision, realizes that what has been going on for years is now no good for this country or for this country's oil supplies. Where has he been? Either he knew about this and did nothing, or he did not know about it, in which case he is clearly incompetent.

If the minister wants another date indicating that there was some knowledge of this, let me point out that on January 19 the National Energy Board sent out a telex to the whole industry imploring them to get their applications in for the swap arrangements that had to be made. On January 24 Imperial Oil formally applied to the National Energy Board for a swap for the part of oil that has been diverted away from them. The application was for a cargo of crude to be sold to Imperial Oil and shipped to the Dartmouth docks from an independent company called the Clarke Refining Company of Chicago. Let me point it out to you—this did not come from an industry source, it is in the public domain since, as the minister knows, I received it from the National Energy Board after I requested it from them.

It is the actual formal application, accompanied by a sworn declaration dated January 24, 1979, addressed to the National Energy Board from Imperial Oil Limited formally requesting approval for an agreement with Clarke Oil and Refining Corporation to exchange Canadian crude for equivalent tanker borne foreign crude entering Canada via Portland, Maine, for Dartmouth, Nova Scotia. In actual fact, it was unloaded in Dartmouth, Nova Scotia, on February 8. Part of the documentation involved in the application to get the diverted crude supply was this document. It is fairly long and it goes through the complete statement of what was needed, what the price was going to be, what the arrangements for it were going to be, and why it was needed.

Paragraph 2(c) reads:

Our supplier, Exxon International Company, has advised us that the Iranian disruption and resulting crude shortages have caused them to establish an IEA type shortage sharing system among other affiliates.

The minister knew they were an affiliate by this application.

It goes on to read:

We—

That is Imperial Oil.

—are responding to this system.

I do not know how much clearer it can be for the minister, for his department, or for his regulatory body, that diversions have taken place and that the whole diversion allotting program was based on the International Energy Agency's program, which obviously meant the situation was serious. But again the minister comes to this House at a later date and tells us he did not know about it. That was on January 24.

On February 1, in answer to a question directed to the Secretary of State for External Affairs (Mr. Jamieson) in the House, the latter, obviously totally ignorant of the 1974 treaty to which Canada was a signatory, in grand, stentorian tones says that Canada, out of the goodness of her heart, will not allow the Americans to freeze in the dark. That received a lot of ink and a lot of play in the media across the country as an indication of the voluntary good wishes of the people and the government of this country toward our American cousins. Come hell or high water we were not going to allow the Americans to suffer one bit. Are we not grand fellows, because the minister obviously did not even know we were committed

to a program. What was the U.S. shortfall was the Canadian shortfall, and what was the U.S. problem was the Canadian problem.

We are committed to assisting the Americans whether we like it or not, and I am not trying to indicate for one moment that we would not like to, but this is another measure of the incompetence or the facade of half truths or misrepresentations that have been built up by the government in this whole sorry mess.

On February 5 the minister told the House—this is well after January 24, when the formal application was made, well after January 8, when the informal representations were made to them—the following:

I have received personal assurances from Venezuela that those supplies will continue to Canada.

On February 8 there is further documentation given to the minister, and this time it is personally handed to him by the people of this country. They have an interview with the minister and they tell him the extent of the cutback from Exxon to Imperial Oil. Just by way of coincidence, on the same day, February 8, there is the offloading at the Dartmouth jetty of the first of the crude oil diversion which has been approved some time ago by the National Energy Board to Imperial Oil. Also on that same date the minister told the House the following:

● (2110)

—that there might well be shortages affecting eastern refineries. The corporation which owns these refineries has been making plans—

Certainly they have been making plans. They have been making plans to the knowledge of the minister and his regulatory body, the National Energy Board, and to the specific knowledge of some of the senior officials in the minister's own department. Later the minister said that this particular occasion of February 8 was the first time he learned there had been serious cutbacks and diversion of Venezuelan crude by Exxon.

On February 13, in response to a question posed by one of my colleagues in the opposition, the minister said the following:

—I have every reason to believe that the source of Venezuelan crude will be made available to Canada, based on the undertakings which I received when I was in Venezuela.

Because of these continued misrepresentations made to the House and the public at large, on February 14 we finally decided to take the opportunity to expose to the Canadian public some of the details we had learned. It is no secret from whence we learned the details. Obviously they were learned from another government in the country. We learned of the serious cutbacks which had been taking place as far as Imperial's crude supply was concerned. We exposed it on February 14. On February 15 an Imperial Oil spokesman said they had convinced Exxon that, instead of a cutback of 22 per cent, in effect the cutback itself would be cut back to 10 per cent. Outside of the House the minister said that even the 10 per cent cutback was unacceptable to the Government of Canada.

On February 14 the Deputy Prime Minister and President of the Privy Council (Mr. MacEachen) outside the House said that the Exxon cutback was intolerable and unacceptable to the Government of Canada, even though a few minutes before the parliamentary secretary to the minister said in the House that he had been unable to confirm our allegations that Exxon was cutting back shipments by 25 per cent.

This is a long and sorry history of either ignorance by the minister of facts which he should have known, or of incompetence by the minister or someone somewhere, if not the minister, or of people who are close advisers to the minister who had been trying to pull the wool over the eyes of Canadians. Time after time we received calm, soothing assurances from the minister and his spokesmen that all was well. Why would the minister continue to do this when it was obvious that sooner or later the true facts of the situation would come to light and the truth would be out? The reason is simple. I believe honestly the minister felt that by shoving this under the carpet, hiding it and keeping it from the light of day, somehow or other the government and the minister would blunder on and blunder through until after an election, when perhaps someone else would have to clean up their mess. It is as simple as that.

As far as the public is concerned, the real crunch in both the price situation and the crude oil situation will occur late next fall or early next winter. That is when the crunch will hit the people of the country, and it will be due to the ineffective actions of the minister and perhaps some of the misleading things which have been said.

What conclusions can we draw from this rather sorry history? Of course the first has to be government policy. Collectively the government has been asleep at the power switch from 1974 to 1979. Virtually nothing has been done to take care of a very foreseeable situation in the country. Granted, the roots of the problem do not emanate in this country as far as the foreign cut-off is concerned, but this has happened before. Almost exactly the same thing happened in 1973 and 1974. At that time we were rushed into emergency legislation. We were cautioned that we had to get the bill through in a hurry because it was needed dreadfully so that the government of the day could take care of any emergency situation which might come along. Luckily we put a time limit on the bill so that it would expire, and it expired.

Instead of reconsidering the entire matter and coming along in a sane and sensible way, at a sane and sensible time to come forward with legislation such as this, the government waited until it was pushed into the very corner, facing a crude oil crisis. It is a shame. The people of the country deserve better than they have been receiving from this particular minister.

Some hon. Members: Hear, hear!

Mr. Lawrence: The issue before the people of the country today is not whether there should be an emergency oil allocation scheme. The issue before the people of the country is the very sorry record of the government respecting this entire mess. That is the issue before the people. Has the government

done anything about cleaning up the inefficient and, in some ways, wasteful distribution system in the country? We still have the bottleneck which was there in 1973 and 1974 which spokesmen on both sides of the House deprecated. The bottleneck in the pipeline is still there. It is there tonight. Because it is there, not enough Canadian crude is going into the Montreal area. Absolutely nothing has been done to clear up the very obvious deficiency for Canadian crude, or crude from no matter where it comes, in the Atlantic region.

Why have these matters not been looked at before, rather than waiting for the crisis to be upon us? As is usually the case, the government comes in with too little too late. No facilities or encouragement have been provided by the government for people in the private sector to promote or build storage and reserve facilities for crude and refined products. If the minister is sucked into the position by some of his socialist colleagues in the cabinet and in the House to the point where, God forbid, PetroCan should enter the picture, of course they will discover that PetroCan or any agency associated with the government simply does not have the required and necessary storage or reserve facilities for large amounts of crude which should have been in place long before this.

The minister knows there are geological formations, especially on or near the east coast. One major formation is located in the riding of the Deputy Prime Minister and President of the Privy Council. Another is located on an island off Newfoundland. There are many geological formations which would be suited very admirably for reserve and storage facilities on the east coast. But in the years between 1974 and 1979, the government did absolutely nothing about it.

● (2120)

We lack government policy and we lack government programs to rectify some of these obvious and serious deficiencies. We even have a refinery at Come-By-Chance, Newfoundland, that is in mothballs. For heaven's sake, a few months ago when there was a glut of some of this crude oil on the market, what did this government do in an attempt to free and get working some of those cobwebbed refining facilities that are in existence? Even the refineries in eastern Canada that were working were operating at much under capacity. These are matters which I think in more sane and more reasonable times this House would be able to discuss in an unemotional way. We cannot do that tonight because we are under the gun, under pressure to get something done; again under pressure to enact emergency legislation to deal with an emergency situation which we should not even be facing, but one that does exist.

The bill before us tonight is an admission in itself that we were right and the government was wrong. Look at the calm and soothing words that have come from the minister. He says no action is necessary; there is no concern; shove it all under the mat. We only start to learn the truth, and the government only starts to come forward with legislation, after a part of the real situation is exposed by the official opposition. Then we have a complete reversal. Instead of the minister saying all is well, we have a complete reversal which includes a very neat political dodge.

With great huffing and puffing, Lord Alastair on his white horse comes charging after all the multinationals. With great huffing and puffing he is charging not only against the multinationals but against the Canadian subsidiaries of the multinationals. The minister asks in shocked and hushed tones, why didn't Imperial deal directly with Venezuela? That is what the minister asks. I think people in this country have every right to ask why the minister did not know earlier and make his directives earlier. Who has been in power, for heaven's sake, over the last few years? If the minister did not know there was a middleman in the Venezuelan crude deal, what does the minister know and what does he do? I suggest the answer is absolutely nothing. He should have known that even had Imperial dealt directly with Venezuela that would be no guarantee that today somehow or other we still would not be in the same situation.

We are tied to the international shortfall with all the signatory countries to that 1974 treaty. Once they hit the 7 per cent triggering mechanism it does not really matter whether Imperial Oil or any of our other Canadian subsidiaries of multinationals were dealing directly.

The minister's cabinet colleagues, and his NDP colleagues in this House, argue that the government deserves some credit because Petro-Canada was set up under this government, even though at great cost to the Canadian taxpayer. They argue that if Petro-Canada had been used as the buying agent none of this would have happened. That is the theory.

Petro-Canada has been in existence for some time. If the minister or his cabinet colleagues now feel that Petro-Can is not acting correctly, or should have been the agent, or the intermediary, or the wholesale broker in some of these international deals, why did the minister not direct it in that way before this? Why does the government come along at this stage and do this? I will tell you why that is. It is simply because, underneath it all, the minister realizes that the intervention of a state oil trading company in the middle of complex, complicated negotiations and dealings between people in the private sector and people in the producing field would not add anything toward the solution of the international energy crisis of today. I suggest that would not do anything at all to help us get out of this hole this government has dug for us. I do not believe that the intervention of PetroCan in the Mexican transaction, or in the Venezuelan transaction, would have been any help at all.

I would ask the minister, if he is now not satisfied, why did he wait this long before making these representations? If Petro-Can should be the buyer from Mexico why is the minister telling Canadian companies to deal directly with Venezuela? Why is there this contradiction? If this is good on the one hand, why is it not good on the other hand? If it is all right for Canadian companies to deal directly with Venezuela why is it not all right for Canadian companies to deal directly with Mexico? As the minister knows—I better amend that by saying, as I hope this minister knows, there were Canadian

companies dealing and negotiating with Mexico in respect of Mexican crude oil long before the minister and Mr. Hopper popped up in Mexico on this deal.

An hon. Member: You mean popped down.

Mr. Lawrence: Yes, you are right, popped down. I am glad to be corrected. As I hope the minister knows, some of these negotiations were well on the way to a final deal in respect of both delivery and price when the minister and his PetroCan officials turned up, or turned down, and this completely threw these negotiations and timetables out. If the minister is now advising Canadian companies to deal directly with Venezuela, why is he suggesting or, as a matter of fact, almost insisting that the state oil enterprise be inserted in the middle of the Mexican deal?

Surely to goodness now that PetroCan is diversified, has reached out and enlarged itself so that it now encompasses a very diversified corporation in the Canadian energy picture, and there is no question about that, if the minister inserts that state oil trading corporation in the middle of these complex negotiations, PetroCan itself will allocate unto itself, or there is that danger, major portions of the oil that might become available in time. If PetroCan is given the authority to act as a broker or wholesaler in respect of these negotiations, and the minister knows that brokers and wholesalers charge fees and commissions, I have no doubt that PetroCan would follow that course of action. If PetroCan did follow this useless intervention, to my mind consumers' costs would go up.

An hon. Member: What do you think Exxon is doing?

Mr. Lawrence: I have just heard an intervention from another minister, asking what I think Exxon is doing. Exxon is a perfect example of what I mean. The minister may believe that Exxon should not be in the middle of these negotiations. I might agree with him that there is no question about that, but I say to the minister that perhaps if some of us on this side of the House were clothed with his authority and were receiving the pay cheques that he has for doing some of this work he has not been doing, we would know these facts and maybe the situation would have been changed long before this.

By no stretch of the imagination do I want that minister, the hon. member for Ontario (Mr. Cafik), misinterpreting our position to the effect that we are saying the Exxon intervention is a good one, because we do not believe that. We still believe that if Exxon should not be in the middle of these deals there is no reason Petro-Canada should be in the middle of these deals either.

• (2130)

Mr. Broadbent: Who should?

Mr. Lawrence: It is as simple as that. Certainly the companies themselves are able to contract and negotiate on their own. They were doing it in the case of Mexico before the minister came along.

The minister now says that in respect of Venezuela they should do it. The record is one of not only a lack of competence in policies and programs, but there is also a lack of credibility in the minister himself. I believe that the dates, information and references which were available in the minister's department should certainly indicate to the House and to the public at large that if this minister did not know the facts, if he did not know the dates, if he did not know the details of those diversions, then he darned well should have, and there is no question in my mind about that.

The record of this government with respect to matters such as this is not very good, especially when it comes to its record of attempting to go out of its way to raise fear, apprehension, and perhaps even confrontation with those partners in confederation, the provinces, in an area of provincial authority and jurisdiction.

Before the bill was introduced in 1974, which was rushed through this House, there had been no prior consultation with the provinces. A bill, with as far-reaching consequences as had the bill of 1974, was brought into this House without any prior consultation whatever with the provinces. That bill died in the middle of 1976. The predecessor to this particular minister was very well aware that there were large areas of doubt and strong opinions in provincial jurisdictions, some of which at that time were run by the same party as the minister and his predecessor. Very strong opinions were held by the provincial authorities that the bill of 1974 was not the way to tackle the problem of international allocation.

What has happened here today and on Friday is that the minister is introducing a duplicate bill.

Mr. Gillespie: Are you going to vote against it?

Mr. Lawrence: Once again there was no consultation whatever, prior to the introduction of this bill in the House last Friday, with any of the provincial authorities with respect to its terms or its jurisdiction of authority. I think that is despicable and, certainly, the minister well knows now that I think some of the provisions in this bill and that some of the things which have been said by his colleagues have caused a very real concern in provincial and industrial circles. Probably the comments of most concern have been the rather lighthearted but terrible implications with respect to the matters of hydro electric power, coal mining, and sources of energy alternative to petroleum products.

To put it mildly, the ham-handed operation of this particular minister coming in as he has with this particular bill has certainly made the provinces apprehensive, and quite justifiably so, about the large degree of power which this government is now attempting to saw off, in the minds of some of these provinces, from an area which is strictly of provincial jurisdiction. Certainly there may well be room for people to believe that under the guise of an almost self-inflicted domestic crisis in respect of oil supplies in this country, this minister is again following the old federal, Liberal party dictum of attempting to grab more power under the guise of attempting to solve a problem of which they themselves were the authors.

In spite of the doubts regarding this minister, and in spite of the doubts regarding the veracity and motivation of this government, we have no desire to hold up this bill. We certainly do agree, sir, and it may well be that we will be the ones who will have to utilize some of the provisions of this bill to get the country out of the mess it is in, that a federal government needs certain legislative powers to direct and supervise the allocation of foreign energy supplies on which, thanks to the negligence of this particular government, we still remain dependent.

I think it is a travesty that this country is still dependent on foreign oil supplies, but because this government has put us in this mess I am afraid that we are going to have to go along and appreciate that a federal government will require this type of emergency legislation. We will not oppose this bill on second reading, but only on the condition that there is a very clear understanding that we expect a comprehensive and searching examination of this bill in committee, with full opportunity for us to make amendments and for expert witnesses to be called so that we and the people at large, the people in the industry and the people in provincial jurisdictions, can be assured that such a measure is needed and that such a measure will be for the benefit of all Canadians.

Our policy in so far as the official opposition is concerned is that once we are in government, if and as when it happens, our efforts will be directed to the objective that Canada will be the master of its own destiny in resource matters and, specifically, in oil and gas, that Canada's needs will be met with Canada's resources. We will have no need for an emergency petroleum allocation bill of the type which is before parliament at the moment.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I listened with a great deal of care to the official spokesman on energy matters for the Conservative party. He seemed to go on some time before he got to the statement outlining his policy and, in fact, I think it was in the last sentence. I tried to write it down and I hope that I have not missed a semicolon or a comma, "that if the Conservatives formed the government that in terms of energy Canada would be the master of its own destiny." That was what he said in his conclusion.

I will come to the government in a moment because the minister, who has sat rather smugly through this crisis which he has created, is certainly not going to be ignored in my comments. We have an energy crisis which is genuine, and no one either outside this country, in this country or anywhere else, given the situation in Iran, has any illusion about this crisis, with the possible exception of our sherry-drinking minister who smiles his way through all crises.

The official spokesman for the Conservative party in dealing with the question of Imperial Oil not making sure that we got our allocation of oil on a continuing basis from Venezuela, said that he objected to a Crown corporation intervening in the process. That is the Conservative party's statement, and I listened with care, that Petro-Canada must not intervene and that the government must not take any other steps. If we are to be masters of our own fate, as the hon. member has suggested, and given the fact that every other oil company in this country is foreign-owned, how are we to achieve that result? The Conservative party did not tell us that.

The whole argument of the hon. member, in terms of his criticism of government policy, led to the inescapable conclusion, that if the multinationals got us into this difficulty, the multinationals must get us out. What an absurd conclusion! But that is the official position of the Conservative party on this issue. I do not think there should be any illusion about that.

• (2140)

In spite of the fact that Venezuela and 90 per cent of countries in western Europe, have Crown corporations or state enterprises to deal with the allocation of petroleum resources because they take their obligations seriously, in this country the Conservative party says, "Leave it to the multinationals." That is not only absurd, but at this time in history it is totally irresponsible.

I want to turn now to the minister. Since September, 1975, the total period since the last energy crisis, the minister has had responsibility for energy policy. Forgetting about the broad range of energy policy and restricting my remarks to oil and gas, I would argue that there are three key components to that policy. There is the existence of Petro-Canada, there is the two-price system for oil, and there is the pipeline. Now that the pipeline has been constructed from Sarnia to Montreal to service the Quebec market and ensure that that part of our oil from western Canada goes to Quebec, it makes eastern Canada less dependent on imported oil.

Those are the three points of the policy that I would argue are devoid of content. Every one of those three was forced upon the Liberal government during the minority government of 1972-74.

When the minister waves the flag about Petro-Canada, I recall some private conversations in that period when the Liberal government of the day was by no means enthusiastic about Petro-Canada, the two-price system, or the pipeline. In order to survive a crucial vote at Christmas, 1973, and to protect their hide, however, they accepted all three items which were almost literally forced down their throats in order to survive. But that is history, Mr. Speaker. I would argue that those are the three principal elements of an otherwise vacuous energy policy. The last crisis was in 1973 at the time of the very substantial increase in price of petroleum products which was forced upon the world by the OPEC countries.

We now have another crisis, the one which gave rise to this bill even though the bill deals with it only in the most peripheral way. It came from the terrible—and they are terrible for the human beings involved—results of conflict in Iran in recent months. It is a terrible human tragedy no matter how one views the desirability or undesirability of the political outcome. At this point no one can have anything but sympathy for the people of that nation and what they are going through.

One of the consequences of that has been the severe curtailment of production of oil affecting virtually all countries outside the communist bloc.

How does that very serious event in history have a marked effect on Canada? That came about when the multinational in the field, Imperial Oil, and its parent, Exxon, decided for their own purposes, regardless of international concern, to divert from Canada oil which was not coming from Iran, of course, because our imported oil via Imperial comes almost entirely from Venezuela, and to divert a certain percentage of the intended allocation from Canada to other parts of the world.

What has been the minister's reaction to this? In this House last week, and again today in his speech, he tried to suggest that the Government of Canada has no responsibility in this matter, none at all, that the villain of the piece is Exxon Corporation.

I want to point out that, to say the least, the relationship between the Government of Canada and Imperial Oil, the subsidiary in Canada of Exxon, has been a mixed one. One day the minister is on his feet criticizing that corporation, but he neglects to mention a few relevant facts about Imperial Oil that I should like to put on the record.

This government and the Liberal party have probably given more special treatment—and this may explain part of the wrath of the minister, feigned or otherwise, that is directed toward Imperial—more financial assistance and more handouts to Imperial than to any other corporation.

We have calculated that at the end of 1978 Imperial Oil owed the people of Canada $600 million in deferred taxes. In the past decade—and now I speak of Imperial and not Exxon—from 1968 to 1978, the life of this government, Imperial Oil accumulated $2.2 billion after tax profits earned in Canada. Out of that they paid $1 billion in dividends, of which 70 per cent went to Exxon because Exxon, of course, is a 70 per cent shareholder of Imperial Oil.

The Exxon Corporation, therefore, the parent firm that was diverting our intended oil supplies from Venezuela, received some $713 million net profit from the people of Canada in the past decade. It has not done badly.

First of all, they diverted 25,000 barrels of oil per day. That was the original decision. I am not so concerned about the timing of it. It is an important matter that the minister's officials either at the National Energy Board or in his department did not keep him informed, but I am prepared to accept his word that he did not know. I cannot accept that it absolves him of responsibility, however. If he has set up his department in such a way that decisions can be made involving a shortfall of thousands of barrels of oil and he does not know about them, then no one is responsible but himself. If he left instructions that he be kept informed on a daily basis of such transactions and these instructions were not carried out, then he should fire the official concerned or, what is more likely, if he did not set up the procedures in the first place, then he has to accept responsibility.

In any case, it was Exxon's original intent to divert 25,000 barrels of oil per day from Canada. The minister got upset and said, on the one hand, that we want full restoration of our quota and then, on the other hand, he said that to get this full restoration he wanted Imperial Oil to deal directly with Venezuela. As the minister knows, the corporation did not comply. It snubbed him completely. It said it would only restore part of the quota, and we are still 9,000 barrels a day short.

● (2150)

Second, Imperial Oil is insisting it will continue to deal not directly with Venezuela as Canada requested, but through Exxon, its parent corporation. Then the minister gets excited and becomes the champion of Canadian interests. The great multinational has taken a course of action which displeases him, so the minister wraps himself in the Canadian flag and says that he is going to make it toe the line.

I want to deal with the central question. It goes to the heart of the problem that we are now facing in 1979 and which should have been envisaged in 1973. Indeed, it should have been seen by the government earlier than that. However, I pose the question: Is the Exxon Corporation behaving in some way that is an aberration? Is it departing from the norm for a multinational corporation in such circumstances? In my opinion it is not.

For the minister's benefit I would like to read part of an article from the Toronto *Star*:

> One effect of a very high degree of foreign direct investment in Canada is that strategic decisions affecting a very large proportion of Canadian business activity are taken by senior business executives resident outside of Canada—

This is not something said by an NDP premier of Canada nor an NDP federal politician. It comes from the government published "Foreign Direct Investment in Canada Review" which was done in 1972, better known as the Gray report. In 1972 that study pointed out in a very thorough and comprehensive way how multinational firms perform. It clearly documented the kinds of difficulties encountered particularly for a country like Canada, when multinationals are permitted to get control of resources. That is the crucial point on which I want to dwell. What we have is not aberrant behaviour by this particular multinational, Imperial Oil, but standard, normal behaviour.

This same situation was experienced the past year with Inco, another multinational in the resource field, which found it was better to expand in Guatemala and Indonesia while laying off workers in Thompson, Manitoba, and Sudbury, Ontario, because it would be able to maximize its profits by so acting. I could go through a whole list, not only as they affect Canada but as they affect other countries, concerning the performance of multinational corporations if they are left unregulated.

We are now experiencing in the energy field a direct consequence of allowing a multinational corporation to dictate our energy policy. The problem is not at all as the minister would have us believe, that the Exxon Corporation is some kind of villain, it is not a villain. The Exxon Corporation is a multina-

tional enterprise that is out to maximize its profits. It is phony and hypocritical of the minister to get up and pretend that it will have one standard of behaviour in Canada but another standard of behaviour elsewhere. That is not how the economic system works. I find it morally offensive when one makes moral judgments about corporate directors in these companies for acting in a way their shareholders appoint them to act. The fault is not with the Exxon Corporation. The fault is with the Government of Canada which did not have arrangements set up in the first place that would have made the crisis we are now dealing with impossible. That is the subject we should be debating tonight.

What is the correct solution? If the government, back in the minority days, had created not only Petro-Canada, as we insisted, but if it had gone further and made Petro-Canada, as we argued at that time, the exclusive purchasing agent for all offshore oil, we would not have the crisis of the last couple of weeks, about which the minister has been speaking. That is the reality. We should have done what almost every other industrial country has done, and that is to set up within our borders what we call a Crown corporation. Other countries call them state enterprises, or if it is nationally-owned in the private sector, a domestically-owned corporation. This Crown corporation should be severely regulated to ensure that it purchases all the offshore oil to meet energy needs. Other countries have done this and that is what Canada should have done.

An hon. Member: Other countries are more effective that we are.

Mr. Broadbent: I did not hear the hon. member's interjection, but I listened to his speech with a great deal of care. I must say that for anyone to argue that the solution to our problem is to get the multinationals to come in when they are the ones who have created the situation, he will have to go a long way to persuade me of the intelligibility of any other recommendations that he makes.

Petro-Canada should have been created in 1973 as the only purchasing agent for offshore oil. That would have headed off the Venezuelan situation we now have. But what can we recommend under the present circumstances? What is the government's attitude toward Petro-Canada? This crisis is upon us because the minister wants to make a villain out of Exxon. He has his election on his mind which is coming perhaps in the next few months—

Mr. Gillies: He has already lost.

Mr. Broadbent: The minister has that in mind. But what is the real attitude? Right now it is thought to be expedient to praise Petro-Canada and to fight Exxon. What is the government doing with Petro-Canada?

Mr. Gillies: Nothing.

Mr. Broadbent: Instead of making it the central petroleum corporation in this land, as we argue, which would not only have control over all imported oil and then channel it out, but also deal with refining and deal directly with outlets—for example, in Montreal today retailers are having trouble getting supplies from multinationals—if we had Petro-Canada importing oil it would ensure independents in Montreal and elsewhere of a ready supply of oil which would help to meet the needs of small businessmen. Instead of encouraging Petro-Canada this way, as the minister knows the Government of Canada is involved in taking away certain preferred rights that Petro-Canada now has for exploration on thousands of acres of land owned by the Government of Canada. Even now it is backing away from creating the kind of corporation that Petro-Canada should be. It is concentrating instead on singling out Exxon as some kind of convenient whipping boy as justification for its own failure.

I want to conclude my remarks by saying what we think should be done. We will be proposing these items at committee stage. This bill should be amended to include Petro-Canada as a member of the allocation board. Second we want the bill amended to make Petro-Canada the sole importer of offshore oil.

We recommend the following step because there is no other way of achieving it. We should pass the bill on third reading as amended—as I hope it will be amended—and then the government, by order in council, should cause the operative sections to go into effect immediately, not to impose rationing, because iet us hope we shall not need rationing but to do one simple thing which should be done immediately, that is, to make Petro-Canada the sole importer of oil into Canada. That should be done this week; it should not be put off until another oil crisis or until another pre-election period. We should pass this bill and give Petro-Canada that authority.

• (2200)

Almost every other country in the world has set up a nationally-controlled major oil company. The crisis we are going through will not have been totally unproductive if it forces this incompetent and irresponsible government to do what other countries have done a long time ago, that is, to make Petro-Canada the major oil company in this country serving all Canada's oil interests from the time the oil leaves the ground until it reaches the consumer.

Some hon. Members: Ten o'clock!

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, before we call it ten o'clock might I ask the deputy House leader to tell us the government's intentions with regard to business tomorrow?

Mr. Cafik: It will be our intention to continue consideration of Bill C-42, the energy supplies emergency bill.

An hon. Member: And then?

Mr. Cafik: If it is anticipated by the opposition that we might conclude this stage of the bill tomorrow, we would move on the National Housing Act amendments.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

METRIC CONVERSION—REQUEST FOR DELAY IN IMPLEMENTATION BY HOUSING INDUSTRY

Mr. Doug Neil (Moose Jaw): Mr. Speaker, on February 13 I put a question to the Minister of Industry, Trade and Commerce (Mr. Horner) regarding the metric system. I did so for two reasons, first, my concern, and that of the general public, concerning the metrication program, and second because beginning on May 1 it will become mandatory for all applications under the National Housing Act to be in the metric system so as to conform with a directive put out by the CMHC, notwithstanding the fact that the lumber industry has not converted to metric nor is it likely to do so in the near future.

The reason is very simple. About 80 per cent of our lumber trade is done with the United States, and they have not converted. We shall therefore be faced with a situation after May 1 in which builders will be using plans and specifications in metres and centimetres while the lumber will be in inches and feet. This is metric confusion, not metric conversion. We have Celsius instead of Fahrenheit, kilopascals instead of inches of mercury, kilometres instead of miles per hour, and wind chill factors measured in numbers rather than temperature. Individuals do not know whether to put on a sweater, an overcoat, a jacket, or a hat and gloves. Radio stations give the temperature in degrees Celsius. At times they give readings in both Celsius and Fahrenheit. I understand, however, that radio stations will be fined in future if they give readings in other than Celsius. It is great to be living in a democracy!

● (2205)

I did not plan to upset the minister when I asked my question on the thirteenth, but he became quite excited. He said at that time that all parties in this House had agreed by resolution to go metric but, as I understand it, it was a general motion, and speakers from all parts of the House agreed in principle. I was not a member at that time, but I am surprised that no vote was taken. Yet, based on that resolution the bureaucrats, in their quiet way and without formal authorization from this House, commenced a program of metrication which has caused confusion and which has been costly for the taxpayer. The costs to industry can never be calculated, but if one considers all the changes industry had to make, the cost must be in the billions of dollars.

We can determine some of the costs because some of them were recorded in the answer to a question I put in this House. I asked what the cost of metrication had been since 1971, that is, the cost of the administration of the system, not the cost industry has passed on to the consumer. The cost to date has been $24 million. In reply to a written question the Department of Industry, Trade and Commerce advised me that the setting up of the sector committees and the travel those committees did cost $1,306,625, over $1.3 million to have these sector committees travel the length and breadth of Canada. The *Metric Monitor*, that newspaper which extols the virtues of the metric system, a propaganda organ, cost $242,-688 for printing and publishing. Distribution of that document cost some $423,736.26.

In response to my question the minister said that there had been no metric bill. I would like to direct his attention back to Bill C-23 in the fall of 1977 when the then minister of industry, trade and commerce introduced a bill entitled "An act to facilitate conversion to the metric system of measurement." Among other things it changes acres to hectares and bushels to tonnes. No one was more vocal than the present Minister of Industry, Trade and Commerce (Mr. Horner), unless it was the hon. member for Vegreville (Mr. Mazankowski), the hon. member for Halton-Wentworth (Mr. Kempling), the hon. member for Red Deer (Mr. Towers), or myself. The minister stood shoulder to shoulder with the rest of us and fought that bill. Could he have changed overnight? Apparently he did.

Britain went metric and is having many problems and second thoughts. The same is true for Australia. On the other hand, the United States brought in legislation making metrication not obligatory but voluntary. I would like to quote briefly from an editorial in the Hamilton *Spectator* of Thursday, March 28, 1978, which says:

> The contrast between the United States' handling of the metric question and Canada's is the contrast between a democracy and a dictatorship . . . Canada even denied public opinion a forum; metric rules were simply imposed by a bureaucracy not answerable to the people.
>
> Americans got a choice; Canadians got their orders.

In closing I would like to say that my plea is simply this: let us put a halt to metrication until such time as we can sit down with our counterparts in the United States to discuss ramifications. The hon. minister has said, and I quote from *Hansard*:

> The gratifying position I find myself in is that my leader now actively seeks my views on all subject matters.

I hope that the hon. minister will talk to his leader and halt metrication until such time as we can discuss it with the Americans and move hand in hand and step by step. Otherwise metrication will cost Canadian taxpayers and consumers millions and billions of dollars.

● (2210)

Mr. Frank Maine (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, effective May 1,

1979, all applications for assistance under the National Housing Act must be in metric units. This is an administrative requirement under the National Housing Act.

Sector committee—construction, 5.01, a voluntary committee composed of voluntary representatives of the construction industry, including the Housing and Urban Development Association and the Canadian Construction Association, approved a plan that set target dates for conversion to help the industry convert as rapidly and economically as possible.

There are sources of plywood in metric dimensions, and the capability of the lumber industry to produce the required plywood panels in metric dimensions has been established.

As for progress in the United States, the American National Metric Council has been co-ordinating, planning and scheduling since 1973. Now that there is a U.S. metric board in operation, further impetus has been given to metric conversion plans already under way via the American National Metric Council voluntary sector committees.

An example of progress in the U.S. metric conversion program is in the automobile manufacturing sector, this being the single largest manufactured export Canada has, representing 27 per cent of all exports to the U.S.A. The way automobile manufacturers are swiftly coverting to the metric system in the U.S. is the very kind of voluntary program that the U.S. metric board is required by Congress to encourage.

From the very beginning the Canadian metric conversion program has been and is being co-ordinated with counterpart American sector committees. In the last few days alone, six U.S. committee members, including a director of the ANMC and staff from the U.S. metric board, met with their opposite numbers in industrial sectors in Ottawa.

The white paper on metric conversion in Canada, issued in January, 1970, which called for the establishment of MCC was agreed to by the House leaders of all parties. An order in council, the metric commission order of June, 1971, established the Metric Commission with a mandate to involve voluntary participation from all sectors of the Canadian economy.

In 1975-76 a resolution debate on the program of guideline dates for metric conversion was held, including committee hearings at which industry, labour and consumer groups presented their views. The report of the Standing Committee on Finance, Trade and Economic Affairs unanimously recommended that the House consider the advisability of adopting the guideline dates, and recommended further legislation to facilitate metric conversion.

The first such legislation, the Statute Law (Metric Conversion) Amendment Act, chapter 55, was debated in the House and Senate and assented to on August 5, 1977, by the Governor General. The second Statute Law (Metric Conversion) Amendment, Bill S-10, has received Senate approval and first reading in the House of Commons on December 15, 1978.

This legislative action supports the 102 sector committees comprising over 2,000 volunteers who are currently developing the plans and schedules for implementation of the metric system in their sectors of the economy.

CANADIAN BROADCASTING CORPORATION—TELEVISION COVERAGE IN SOUTHEAST MANITOBA

Mr. Jake Epp (Provencher): Mr. Speaker, on January 26 I asked a question of the Secretary of State (Mr. Roberts) regarding the installation of CBC English television in southeastern Manitoba. This is the third time that I have used the adjournment debate to bring this matter before the government. I was wondering how best to get this message to the government in view of the fact that it has not lived up to its promises on this question. What I intend to do is to outline to the government once again the promises it has made in the hope that this will be one promise it will fulfil, rather than making all the promises and, once it comes to implementation, having the words prove to be empty.

In 1975 a petition was passed and signed by 346 members in the southeastern area of Manitoba requesting the then CBC president Laurent Picard for CBC English television programing. The CBC at that time, in response to the petition which I forwarded to them, said the following, and I quote from a letter of May 21 signed by Dennis Townsend, director of parliamentary services:

● (2215)

Under the Accelerated Coverage Plan, a UHF 50 kw transmitter with a 300-foot tower is scheduled for Sprague, Manitoba, with the expectation that an application for it will be made to the CRTC in 1978. The transmitter will provide CBC English TV service.

I protested back in 1975 that 1978 was too far in the future. Having made the protest, I figured I would receive some favourable response. On August 14, 1975, the liaison officer for the CBC wrote as follows:

It should also be noted that we are nearing the half way point in the five-year plan. Since it takes about two years to prepare our documents, have our application heard by the CRTC and put the service into operation, it is now very difficult for us to change any of our target dates.

That letter was written in 1975 and it was referring to the target date of 1978. Hope springs eternal in the human breast, and I kept on working. The year 1978 came, and I felt it was time to approach the government once again to see whether it would do anything. I wrote to the Canadian Broadcasting Corporation once again, and I received the following reply from Mr. Dennis Townsend:

Using this and the other criteria which Anne Richens of this office explained in her August 1975 letter to you, Sprague is included in ACP Priority Group 100, and it is our expectation that we will apply to the CRTC this summer for permission to establish the Sprague transmitter.

Mr. Townsend's letter was dated February 8, 1978. I was very hopeful that we would get somewhere because the CBC was saying the same thing in 1978 as it had said in 1975. Then I thought I received the real word in a letter written by the hon. Secretary of State dated March 2, 1978, in which he said the following:

I note that you directed a copy of your letter to Mr. Townsend, and you will now have received his reply of February 8, informing you that the CBC does

indeed expect to apply to the Canadian Radio-Television and Telecommunications Commission, this summer, for permission to instal a television transmitter at Sprague, Manitoba.

I come from an area where there are very few Liberals and consequently I have a tendency to believe them. Perhaps I am naive. It is a mistake I made. Perhaps I should not have believed them, because on November 3, 1978, I received a letter from the president of the CBC after most of 1978 had passed, and after criticizing the CBC. They had not made an application and they had not fulfilled the promise. They simply had not done it. The letter I received from Mr. A. W. Johnson, the president of the CBC, read in part as follows:

I am indeed sorry to confirm your fear that because of the new restraints on our budget Sprague is among a number of ACP projects which must be delayed until the necessary funds become available. At this early stage of deciding how budget cuts must be allocated within the corporation it is difficult to give you a firm date for the rescheduling of the Sprague project, but at the moment since this is a transmitter project of some magnitude, it looks as though it will now be included in both our 1980-1981 and 1981-1982 capital budgets, with probable implementation during the 1981-1982 fiscal year.

That letter referred to 1979 restraints back in 1978. Even that letter does not wash. That restraint program was not in effect. The Secretary of State, the CBC spokesman for parliamentary services, the president, and the parliamentary secretaries who have answered me twice, have not given the facts. They have promised, but they have never fulfilled. Now it is 1979, and the people of that area do not have coverage. Then to top it off, the unity task force indicated that every Canadian is entitled by right to television and radio access by the CBC. This is a small area of Canada which had television coverage before it was taken away by Bill C-58 of the government. The government said that it was going to give the area some other coverage. It has taken away the television coverage that area had, and has not given them the television coverage paid for by taxpayers.

On January 26 the minister indicated that he would give me a reply. On behalf of the petitioners, the people of Sprague and the area, I am waiting not only for a positive reply but for some positive action.

Mr. Frank Maine (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the CBC's accelerated coverage plan is designed to ensure that CBC radio and television service will be extended to all communities where 500 or more people are unserved or inadequately served in the appropriate language.

• (2220)

The ACP is implemented under a strict formula system of priorities which takes into account such factors as population, capital and operating expenses, provincial equalization, and geographic and cultural isolation. Implementation is in this way as fair and equitable as it can be made. All communities identified for inclusion in the ACP are listed according to their priority under this formula, and "community" in this case also means minorities within a larger language group, such as the French-speaking population of Thunder Bay and the English-speaking population of Chicoutimi.

Provision of funds for the implementation of the ACP is made within the CBC's regular capital and operating budgets. As for the plan itself, it was originally to be completed in the period 1974 to 1979. A number of factors, however, have brought about a stretching out of that period by approximately three years.

Those factors include: a sharp rise in costs—they are now approximately double the 1975 estimate—the difficulty of finding enough qualified technical personnel for the installation of the more than 600 transmitters involved in the plan; delays in the production by the electronics industry of the necessary equipment, and budget constraints in 1978-79 and 1979-80.

Under the accelerated coverage plan it is intended to establish English television service at Sprague, Manitoba, which is included in Group 100 of the ACP priority list.

Because of the workload and budget cuts, implementation of some ACP projects has fallen behind the original timetable set out for the more than 600 transmitters involved in the plan, and it is now hoped that the Sprague transmitter project, which is one of some magnitude, will be included in the CBC's 1980-81 and 1981-82 capital budgets, with probable implementation during the 1981-82 fiscal year.

The CBC regrets that due to these circumstances which are beyond its control it is not possible to provide the Group 100 service at the time the corporation had originally hoped and expected to do so. The hon. member for Provencher (Mr. Epp) may be assured, however, that Sprague is in the same relative position on the priority list as it has always been, and that no projects which came after it on the list have been moved ahead of it.

SCIENCE AND TECHNOLOGY—GUIDELINES FOR INDUSTRIAL RESEARCH

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, basic to an effective research and development effort in secondary manufacturing is a national industrial policy. Canada's industrial research and development effort is strangely out of step in the industrialized world in which Canadian products must compete. The business sector in Canada provides only about one third of research and development expenditures compared to figures of 40 per cent to 50 per cent for most industrialized countries. In addition, the business sector in Canada performs about 40 per cent of research and development compared to 50 per cent to 65 per cent for business sectors in most advanced countries.

In 1978 the government made some serious attempts to stimulate research and development, both through increased federal funding and through tax incentives. A major goal announced by the minister in June was an increase in gross expenditure for research and development to 1.5 per cent of gross domestic product by 1983. Critics pointed out that to attain this goal research and development expenditures in industry would have to grow by an average of 19 per cent each

year, and government and university expenditures by 12 per cent of 13 per cent annually.

In August, 1978, however, the government launched an austerity drive and announced plans to reduce federal spending. Science and technology, including various research and development programs, were affected in many areas. Then on November 16, 1978, the Minister of Finance (Mr. Chrétien) in his budget speech announced new tax incentives for industries performing research and development.

The picture that emerges over the past year is rather confusing. On the one hand the government announces increased funding and tax incentives to stimulate Canadian research and development. On the other, it abruptly terminates important government research programs.

I have some recommendations I would like to make in an effort to increase our research and development impact in Canada. The existing industrial research and development tax incentive provided by the federal government should be reformulated with a view to incorporating the following features: a conversion to a 25 per cent tax credit instead of a 50 per cent additional allowance; the introduction of a base level research and development expenditure of $1 million which would qualify for the full incentive without regard for increments; qualification of all capital expenditures for the full incentive; and all research and development must be done in Canada to qualify for the incentive.

In other words, small and medium sized firms which spend less than $1 million per year on research and development would be able to qualify for the full 25 per cent tax credit in respect of all their expenditures on research and development. This would include 99 per cent of Canadian-owned firms. The large firms that spend over $1 million per year on research and development would qualify for the tax credit in respect of any increased expenditure in research and development over the base level. In areas of slow growth the rate may be increased.

The Small Businesses Loans Act should be amended to facilitate low interest loans for research and development facilities and operating costs. We should provide financial assistance through DREE for buildings and specialized equipment to be used for scientific research and development in DREE designated areas of regional disparity.

● (2225)

The present federal government tax incentive program is inadequate in the following respects: the incentive is based on incremental R and D expenditures only. The consolidation of capital with current expenditures penalizes firms making substantial capital outlay for R and D purposes. The incentive discriminates severely against the smaller firms whose net cost of R and D could be 70 per cent higher than for a larger firm. The incentive is not available to firms not having a taxable income, for example, in the start up phase of new technology-based firms.

I feel also that some non-tax incentives of an industrial nature should be considered. Any review of industrial support policies should involve full participation of industry. New incentive programs should minimize elaborate administration. For example, where applicable, self-administered tax credits are preferable to grants that require lengthy and complex applications and detailed monitoring. The contracting out of government R and D projects which has been a step in the right direction should be intensified. Both the amount and the scope of contracts should be increased. Federal procurement policies should aim to stimulate promising Canadian companies. The procurement policies of provincial and local governments, as well as of publicly supported institutions, should be similarly co-ordinated. The federal government should take the lead by making this a condition of various incentive and cost-sharing programs. We have been waiting for an announcement in this regard since last June.

International trade and technological agreements should make special provisions to strengthen Canada's industrial capability. Opportunities for co-operative activities should be sought out and supported. Fragmentation and polarization of the activities of various groups, whether in industry, government or the universities, must be overcome.

I am convinced of the importance of research and development as an essential base for economic advancement, and I feel we should encourage the advancement and transfer of scientific knowledge and technology in a co-operative effort between universities, governments and industries.

Our objective should be to increase support for basic and applied research and development in Canada over a five to seven year period to 2.5 per cent of the gross national product, which is the fraction of the gross national product now spent in the United States, the United Kingdom and West Germany. We should establish a forum which will enable parliamentarians and interested Canadians to become involved and contribute in a direct way and on a regular basis to an appreciation of the wide scope and complexity of science affairs.

The bottom line is that it is not enough to have the best tax incentive system in the western world. Our ministers, deputy ministers, assistant deputy ministers, and the department heads have got to get on their bicycles and travel to the board rooms of the parent companies of Canadian subsidiaries and sell our program. We have got to give the private sector the confidence that our government understands that research is a long-term proposition, and convince them that the incentives will remain constant for at least ten years. In the past 15 years we have witnessed a number of major, unrelated programs involving tax incentives put forward and then cancelled by the government. It is small wonder that the private sector takes no confidence from this performance and is not prepared to commit its funds to a program of long-term scientific research and innovation.

Mr. Frank Maine (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the hon. member for York-Sunbury (Mr. Howie) covers a great deal of ground in his comments, and it will be impossibe for me to address all of them in the three minutes in which I have to respond. Certainly he has mentioned some very good ideas, some with which I agree and some with which I do not agree.

• (2230)

I think the basic tenet of having more research and development in Canadian industry is one with which both sides of the House can agree. We have found from industry that the decisions have to be made by them, both in their timing and their framework, so that the most effective use can be made of their resources. This means that the tax method is a more effective incentive than the grant method, where government bureaucrats may become involved in a time-consuming and costly delay in decision-making.

In the last three budgets, attempts have been made to improve the performance by industry in the research and development that is needed in this country.

The hon. member said that he would like to see an increase in the target level from 1.5 per cent of the gross national product in 1983, to 2.5 per cent. In realistic economic terms, Mr. Speaker, we will do very well indeed if we reach the 1.5 per cent target, in so far as the amount of money that must be spent represents a 20 per cent increase in research and development each year for the next several years. The amount of money required to reach a target of 2.5 per cent over the short term would be enormous.

Whereas I agree with the general purpose of the hon. member's comments, I can in no way agree with several of the details he has outlined. I will encourage him, however, to continue bringing these points of view forward so that they can be discussed in detail and so that there can be further dialogue in this most important area.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until 2 p.m. tomorrow.

Motion agreed to and the House adjourned at 10.30 p.m.

END OF VOLUME III